

BUPERSINST 5300.10
Pers-65
3 Dec 97

BUPERS INSTRUCTION 5300.10

From: Chief of Naval Personnel

Subj: BUREAU OF NAVAL PERSONNEL NONAPPROPRIATED FUND PERSONNEL MANUAL FOR
NAVY NONAPPROPRIATED FUND INSTRUMENTALITY (NAFI) EMPLOYEES

Ref: (a) SECNAVINST 5300.22C
(b) DOD 1401.1-M
(c) SECNAVINST 5212.5C

1. Purpose. To issue the Nonappropriated Fund (NAF) Personnel Manual which contains revised and updated policies and procedures relative to the personnel management of NAF employees. This is a new manual and should be read in its entirety by employees administering NAF personnel programs.

2. Cancellation. NAVMILPERSCOMINST 5300.1, NAVMILPERSCOMINST 12330.2, NAVMILPERSCOMINST 12510.2, NAVMILPERSCOMINST 12550.1, BUPERS EXPO manual of January 1991, and BUPERS letter Pers-653/12000/12 March 1993.

3. Discussion. Under the authority contained in reference (a), the Chief of Naval Personnel (CHNAVPERS) has the responsibility for supervision of civilian personnel administration and labor relations in BUPERS NAFIs which are operated primarily for the benefit of military personnel of the Navy. This manual sets forth the personnel policies of the Department of the Navy (DON) to NAF civilian employment consistent with and in accordance with the principles and authorities contained in references (a) and (b), and Department of Defense (DOD) Directives 1400.5, 1400.6, and 5120.42.

4. Administrative Maintenance. The Bureau of Naval Personnel (BUPERS (Pers-65)) is responsible for the implementation and administration of this manual. Recommendations for improvements, modifications and/or additions, together with supporting data, should be submitted to BUPERS (Pers-653) for consideration.

Distribution: (See next page.)

BUPERSINST 5300.10
3 Dec 97

Distribution:

Commanding Officers Administering Recreation Activities (Two copies each)

SNDL	A3	(CNO, 09BF)
	A5	(CNP)
	42RR	(COMNAVAIRRESFOR)
	FE1	(COMNAVSECGRU)
	FG1	(COMNAVCOMTELCOM)
	FH1	(BUMED)
	FKA1A	(COMNAVAIRSYSCOM)
	FKA1C	(COMNAVAFACENGCOM)
	FKA1F	(COMNAVSUPSYSCOM)
	FKA1G	(COMNAVSEASYSYSCOM)
	FT1	(CNET)
	SNDL 21A	(Fleet Commanders in Chief)

Copy to:

24A	(Naval Air Force Commanders)
24D	(Surface Force Commanders)
24G	(Submarine Force Commanders)

Bureau of Naval Personnel Detachment, Memphis (Pers-653)
Naval Support Activity, Memphis
7800 3rd Avenue
Millington TN 38054
Stocked: 300 copies

Order from:

Naval Inventory Control Point
Cog "I" Material
7800 Robbins Avenue
Philadelphia PA 19111-5098

Stocked: 200 copies

Bureau of Naval Personnel

PERSONNEL MANUAL

FOR

NONAPPROPRIATED FUND

INSTRUMENTALITIES

BUPERSINST 5300.10
3 Dec 97

RECORD OF CHANGES

Change Number	Date of Change	Date of Entry	Entered By

TABLE OF CONTENTS

		Page
<u>CHAPTER 1</u>	INTRODUCTION TO NAF PERSONNEL MANAGEMENT	
Section 101	Coverage	1-1
Section 102	Applicable Policies	1-1
Section 103	Purpose	1-1, 2
Section 104	Use of Appropriated Fund Civilian Personnel Services	1-2
Section 105	Authorized APF Support for MWR Activities	1-2 thru 4
Section 106	Responsibilities	1-4, 5
Section 107	Definitions	1-5 thru 8
Section 108	Legal Status of Civilian Employees of NAFIs	1-8, 9
Section 109	Employee Supervisory Authority	1-9
Section 110	Entitlement to Personal Services and Government Quarters	1-9
Section 111	Transportation Agreement	1-10
Section 112	New or Revised Programs	1-10
<u>CHAPTER 2</u>	EMPLOYMENT AND PLACEMENT	
Section 201	Employment	2-1
Section 202	Categories of Employees	2-1 thru 5
Section 203	Assignment of Appropriated Fund Personnel (Military and Civilian)	2-5 thru 7

TABLE OF CONTENTS (CONT.)

		Page
Section 204	Employment of Retired Uniformed Service Personnel	2-7 thru 10
Section 205	Preference in Hiring Involuntarily Separated Members of the Armed Forces and their Dependents	2-10, 11
Section 206	Veterans' Employment Preference	2-11
Section 207	Equal Employment Opportunity	2-12
Section 208	Reinstatement	2-12
Section 209	Recruitment	2-12, 13
Section 210	Position Control	2-13
Section 211	Special Selection Considerations	2-13
Section 212	Spousal Employment	2-13 thru 15
Section 213	Changes in Employment Category	2-15
Section 214	Physical Examinations	2-15
Section 215	Non-U.S. Citizen Employees	2-15, 16
Section 216	Employment of Minors	2-16
Section 217	Designation of Beneficiary for Unpaid Compensation	2-16
Section 218	National Agency Checks (NAC)	2-16, 17
Section 219	Work Performance Appraisals	2-17 thru 21
Section 220	Training and Development	2-21 thru 23

TABLE OF CONTENTS (CONT.)

		Page
Section 221	Resignation	2-23
Section 222	Position Qualification Requirements	2-24
Section 223	Approval and Recruitment for NAF Employees	2-24, 5
Section 224	Advertising Against Projected Vacancies	2-25
Section 225	Employee Records and Files	2-26 thru 30
<u>CHAPTER 3</u>	NONAPPROPRIATED FUND PERSONNEL PAY BAND SYSTEM	
Section 301	Policy	3-1
Section 302	Applicability	3-1
Section 303	The Federal Wage System	3-1
Section 304	Pay Banding - General	3-1
Section 305	Pay Band System	3-2
Section 306	Structure	3-2
Section 307	Special Instructions	3-2
Section 308	Pay Schedules	3-2
Section 309	Locality Pay	3-2, 3
Section 310	Pay Setting	3-3 thru 6
Section 311	Training Wage	3-6
Section 312	Pay Adjustment for Supervisors	3-6

TABLE OF CONTENTS (CONT.)

		Page
Section 313	Determination of Exempt and Non-Exempt Status	3-6, 7
Section 314	Premium Pay	3-7 thru 9
Section 315	Child Care Giver (CC) Pay System	3-10 thru 13
Section 316	Allowances and Differentials	3-13
Section 317	Fair Labor Standards Act	3-13 thru 15
Section 318	Dual Compensation	3-15 thru 17
Section 319	Severance Pay	3-17 thru 19
Section 320	Prohibition on use of Services Contracts	3-19
Section 321	Payment for Services Contracts	3-19
Section 322	Additional Compensation	3-19
Section 323	Awards	3-19 thru 24
Section 324	Employment of Relatives	3-24, 25
Section 325	Erroneous Overpayment	3-25
Section 326	Mixed Job Pay	3-25
Section 327	Employee Meals	3-26
Section 328	Garnishment of Wages	3-26
Section 329	Withholding Pay	3-26, 27
<u>CHAPTER 4</u>	CLASSIFICATION	
Section 401	Classification	4-1, 2
Section 402	Qualification Requirements	4-2

TABLE OF CONTENTS (CONT.)

		Page
Section 403	Classification Appeals and Grievances	4-2 thru 5
<u>CHAPTER 5</u>	WORK ATTENDANCE AND LEAVE	
Section 501	Overall Policy	5-1
Section 502	Definitions	5-1, 2
Section 503	Schedule of Work Attendance	5-2 thru 5
Section 504	Leave Donation Program	5-5
Section 505	Annual Leave Policy	5-5 thru 9
Section 506	Sick Leave Policy	5-9 thru 11
Section 507	Absence for Maternity or Paternity Reasons	5-11, 12
Section 508	Administrative Leave	5-12 thru 13
Section 509	Military Leave	5-13 thru 14
Section 510	Military Furlough	5-14
Section 511	Leave Without Pay	5-14, 15
Section 512	Leave Documentation and Application	5-15, 16
<u>CHAPTER 6</u>	EMPLOYEE RELATIONS	
Section 601	Labor-Management Relations Policy	6-1
Section 602	Employee Relations Policy (General)	6-1 thru 3
Section 603	Political Activity	6-3, 4
Section 604	Fiduciary Responsibility	6-4
Section 605	Standards of Conduct	6-4, 5

TABLE OF CONTENTS (CONT.)

		Page
Section 606	Loyalty to the United States Government	6-5
Section 607	Whistleblower Protection for NAF Employees and Applicants	6-5, 6
Section 608	Disciplinary Action	6-6 thru 8
Section 609	Business Based Actions	6-8 thru 12
Section 610	Grievance Procedure	6-12 thru 13
<u>CHAPTER 7</u>	RETIREMENT AND INSURANCE	
Section 701	Background	7-1
Section 702	Retirement	7-1 thru 7
Section 703	Disability Plan	7-7
Section 704	Workers' Compensation Benefits	7-7
Section 705	Unemployment Compensation Benefits	7-7
Section 706	Group Insurance Benefits	7-7, 8
Section 707	Medical Program	7-8, 9
Section 708	Savings and Investment Plan	7-9, 10
Section 709	Retiree Group Insurance Benefits	7-10 thru 11
Section 710	Open Enrollment Period	7-11
Section 711	Prohibitions	7-12
Section 712	Benefit Participation for off-duty, Military Personnel	7-12

TABLE OF CONTENTS (CONT.)

		Page
Section 713	Portability	7-12
<u>CHAPTER 8</u>	EMPLOYMENT IN OVERSEAS LOCATIONS	
Section 801	Background	8-1
Section 802	Employment of Non-U.S. Citizen Off-Duty Enlisted Military Personnel	8-1
Section 803	Employment of Non-U.S. Citizens	8-1, 2
Section 804	U.S. Citizens Recruited in the United States	8-2
Section 805	Allowances and Differentials	8-2, 3
Section 806	Relocation Travel and Household Goods Costs for Employees Recruited in the United States	8-3, 4
Section 807	Continuous Service in Foreign Areas	8-4
Section 808	Return Rights	8-4 thru 5
Section 809	Entitlement to Government Quarters and Facilities	8-5, 6
Section 810	Medical and Health Services	8-6
Section 811	Privileges	8-6
Section 812	Home Leave	8-6
Section 813	Renewal Agreement Travel	8-6
Section 814	Emergency Leave and Travel	8-6, 7

TABLE OF CONTENTS (CONT)

		Page
Section 815	Local Holidays in Foreign Countries	8-7
Section 816	Employee Benefits	8-7
Section 817	Care and Disposition of Remains of Deceased Employees	8-7
Section 818	Evacuation of NAF Employees and Family Members	8-7
Section 819	DOD Schools (DODDS)	8-8
<u>CHAPTER 9</u>	STANDARDS OF CONDUCT AND ETHICAL BEHAVIOR	
Section 901	Introduction	9-1
Section 902	Reasons for Proper Training	9-1
Section 903	Guidance/Instructions	9-1
Section 904	Responsibility	9-1, 2
Section 905	Penalties	9-2
Section 906	Sample Ethical Decision Making Process	9-2
Section 907	Bedrock Standards of Conduct	9-3, 4
<u>CHAPTER 10</u>	CHARACTER AND SUITABILITY REQUIREMENTS	
Section 1001	Purpose	10-1
Section 1002	Appropriate Action to Take Concerning Adverse Information	10-1
Section 1003	Management Procedures	10-1, 2

TABLE OF CONTENTS (CONT.)

		Page
Section 1004	Guidelines for Making Suitability Determinations	10-2
Section 1005	Factors to Consider in Making Decisions	10-2 thru 4
Section 1006	Guidelines for Applying Specific Factors	10-4 thru 11
Section 1007	Guidelines for Applying Additional Factors	10-11 thru 13
<u>CHAPTER 11</u>	SPECIAL PLACEMENT PROGRAM (SPP)	
Section 1101	Introduction	11-1, 2
Section 1102	Explanation of Terms	11-2 thru 4
Section 1103	Eligibility and Registration	11-4 thru 9
Section 1104	SPP Placement Bulletin	11-9 thru 12
Section 1105	Placement Priorities for SPP Registrants	11-12
Section 1106	Job Offers	11-12 thru 16
Section 1107	Relationship of the SPP to Other Placement Programs	11-16, 17
Section 1108	Grievance Rights	11-17, 18
<u>CHAPTER 12</u>	NONAPPROPRIATED FUND TRAVEL	
Section 1201	Purpose	12-1
Section 1202	Policy and Scope	12-1
Section 1203	Types of Temporary Travel	12-1, 2

TABLE OF CONTENTS (CONT.)

		Page
Section 1204	Criteria for Travel	12-2
Section 1205	Travel Purposes Categories	12-2, 3
Section 1206	Administration of Temporary Additional Duty Travel	12-3 thru 10
Section 1207	Temporary Duty	12-11
Section 1208	Per Diem	12-11
Section 1209	Travel within the Continental United States (CONUS)	12-11 thru 14
Section 1210	Claims for Reimbursement of Travel and Transportation Expenses	12-14
Section 1211	Leave While on Orders	12-14, 15
Section 1212	Promotional/Frequent Flyer Programs and Discounts	12-15
<u>CHAPTER 13</u>	CIVILIAN NONAPPROPRIATED FUND INSTRUMENTALITIES	
Section 1301	Purpose and Scope	13-1
Section 1302	Policy	13-1
Section 1303	Responsibilities	13-1 thru 2
Section 1304	Authorized Activities and Exclusions	13-2, 3
Section 1305	Operating Principles	13-3
<u>CHAPTER 14</u>	NAF/GS EMPLOYEE INTERCHANGE AGREEMENT	
Section 1401	Policy	14-1
Section 1402	Purpose	14-1

TABLE OF CONTENTS (CONT.)

		Page
Section 1403	The Interchange Agreement	14-1 thru 4
Section 1404	Portability of Benefits	14-4, 5
<u>CHAPTER 15</u>	RECORDS DISPOSITION SCHEDULE	
Section 1501	Transferring Records (NAF and APF) to Other Custody	15-1
Section 1502	Scope	15-1
Section 1503	Appropriated Funds Records Disposition	15-1
Section 1504	Nonappropriated Fund Records Disposition	15-1
<u>APPENDIX A</u>	Pay Administration for Crafts and Trades	A-1 thru A-30
<u>APPENDIX B</u>	Labor-Management Relations	B-1 thru B-17
<u>Appendix C</u>	Disciplinary Action Procedures	C-1 thru C-14
<u>APPENDIX D</u>	Business Based Actions	D-1 thru D-15
<u>APPENDIX E</u>	Administrative Grievance Process	E-1 thru E-2
<u>APPENDIX F</u>	Department of Defense Employee Benefit Portability Program	F-1 thru F-11
<u>APPENDIX G</u>	Disposition Schedule of Records	G-1 thru G-18

CHAPTER 1

INTRODUCTION TO NAF PERSONNEL MANAGEMENT

101. Coverage. Policies and procedures prescribed in this manual apply to employees of all NAFIs under the cognizance of the CHNAVPERS. Specifically, the provisions of this manual apply to all NAFI employees who are:

- a. U.S. citizens.
- b. U.S. nationals.
- c. Off-duty non-U.S. citizen members of the U.S. Armed Forces.
- d. Resident aliens residing in the U.S., the Commonwealth of Puerto Rico and in any of the possessions of the U.S.
- e. Non-U.S. citizen dependents of U.S. citizens employed by the Federal Government and of non-U.S. citizen military members, where the host government recognizes such dependents as a part of the U.S. forces stationed in the host country.
- f. Where no Status of Forces Agreement (SOFA) exists for foreign nationals, the policies contained in this manual apply.

102. Applicable Policies. Administration of NAF employees is based on personnel procedures in conformance with the principles and authorities contained in applicable DOD and Secretary of the Navy (SECNAV) Instructions, applicable public statutes, pertinent executive orders, specified Office of Personnel Management (OPM) regulations, and other applicable Department of Navy (DON), OPNAV or BUPERS directives.

103. Purpose. These policies are designed to:

- a. Ensure that NAF employees are treated equitably and fairly per applicable laws, executive orders, and other pertinent regulations.
- b. Provide the basis for achieving a desired degree of uniformity among BUPERS NAFIs in the management of their personnel.
- c. Recognize and provide a basis for dealing with labor organizations.
- d. Promote those practices and processes that will facilitate obtaining, developing, and retaining a NAF work force of well-qualified individuals.
- e. Achieve optimum use of available human resources.

f. Develop and maintain personnel programs that help preserve NAFI operational and financial integrity and ensure successful completion of the NAFI's mission.

104. Use of Appropriated Fund (APF) Civilian Personnel Services. APF civilian personnel offices may provide technical advice and counsel on an ad hoc, as required basis to NAFIs without reimbursement. However, day-to-day personnel administration is authorized only when no additional incremental APF costs are incurred. This threshold is defined as the annual expenditure of more than \$500 of APF in direct labor costs. Accordingly, APF civilian personnel offices are prohibited from expending more than \$500 of APF in direct labor costs on day-to-day NAFI personnel administration, unless NAFI reimbursement is provided. Reimbursement will, as a minimum, be calculated at 113.9 percent of direct labor costs. Reimbursement in excess of 113.9 percent is subject to negotiation between NAFI and the civilian personnel office. The amount of reimbursement provided will be reviewed and adjusted at least annually.

105. Authorized APF Support for MWR Activities. APF support policy for MWR, specifically personnel related expenses, can be found in the following primary policy sources: NAVCOMPT manual, volume 7, paragraphs 075500-075531 and DODI 1015.10. The following extract summarizes existing policy:

a. Military MWR programs consist of activities that are sub-divided into three categories which fall along a continuum. The basic funding standard, regardless of the category, is to fund MWR programs with 100 percent of what is authorized.

- Category A, mission sustaining activities, are at one end of the spectrum in which the military organization is the primary beneficiary and the activity provides identifiable recruiting and retention incentives. The DOD standard is to fund Category A programs with not less than 85 percent of total operating expense. The DON standard is to fund Category A with APF for 100 percent of authorized expenses. Some NAF expenses, like resale and other general and administrative expenses, are posted to Category A, and are not authorized for APF support.

- Category B, basic community support activities, contribute to the mission, but are capable of generating some NAF revenues. However, they are not expected to sustain operations solely with NAFs. A significant portion should be funded with APFs. Both the DOD and DON standard is to fund Category B with 65 percent of total operating expenses.

- Category C, business activities primarily benefit the individual, and have the capability to generate significant NAF revenues. APF support is limited, estimated to be 5 percent of total expenses. Some installations

have been designated as overseas, or isolated and remote, and may fund Category C operations at the higher Category B authorization level.

b. Civilian employee MWR activities are separate from the military MWR program. Generally, they are expected to be self-supporting, dependent on NAF. See reference (a) and SECNAVINST 7548.1 for details.

c. Other Basic Policy

(1) Executive Control and Essential Command Supervision (ECECS). Commanding Officers have an oversight responsibility for MWR programs. To exercise this responsibility, commanding officers must provide guidance and direction to MWR activities under their purview in the same manner as for all non-MWR activities under their cognizance. ECECS consists of general management functions and includes any assistance in carrying out these functions provided by the commanding officer's staff. Specifically excluded from this definition is the direct operation of MWR programs and activities (e.g., functions performed by the MWR program director and staff). The ECECS function is, inherently, the responsibility of the commanding officer. Accordingly, APF support is authorized for essential control and command supervision, regardless of an activity category. Further, this function is not included as a cost of MWR.

(2) Protection of Health and Safety. All NAFI activities, regardless of the category, are authorized to receive APF common support associated with protecting the health and safety of participants, employees, resources and property. Such services include, but are not limited to: fire protection (including acquisition and installation of extinguisher, sprinkler and alarm systems); security protection, including physical security of buildings (i.e., alarm systems and security bars) and protection of funds; pest control; sewage disposal; trash and garbage removal (not authorized for military exchanges in the CONUS); snow removal; safety; medical veterinary and sanitary inspections; authorized veterinary care; rescue operations; and facility maintenance or repair necessary to maintain the structural integrity and external appearance of the building (i.e., electrical, mechanical, roofing, foundations, windows, and doors), or to correct fire and safety deficiencies. When these costs are additional, identifiable, and can be segregated on a reasonable and meaningful basis, they should be identified as MWR costs on the appropriate MWR reports regardless of whether such costs are funded with APF or NAF.

(3) Other Common Support. All MWR activities may utilize other common support services which are normally provided by a base or installation commander and are not directly related to the health and safety of personnel or property. Such common support services typically include, but are not limited to, custodial services, communications, legal services and advice, and

BUPERSINST 5300.10
3 Dec 97

technical guidance, administration, and assistance on accounting, financial management, procurement, and civilian personnel.

106. Responsibilities

a. The Assistant Secretary of Defense (Force Management and Personnel) (ASD (FM&P)) is responsible for all personnel policy matters related to NAF employees in the DOD.

b. The ASD (FM&P) has designated the Deputy Assistant Secretary of Defense (Civilian Personnel Policy) to oversee the issuance of NAF personnel policy for DOD.

c. The Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN (M&RA)) is responsible for all civilian personnel policy matters related to NAFI employees in the DON.

d. The ASN (M&RA) has designated the Deputy Assistant Secretary of the Navy (Civilian Personnel Policy/Equal Employment Opportunity) (DASN (CPP/EEO)) to oversee NAF civilian personnel policy within the Department of Navy.

e. The ASN (M&RA) has designated the Director, Office of Civilian Personnel Management (OCPM) as administrator for SECNAVINST 5300.22 which provides the DON policy incorporated in this instruction.

f. BUPERS (Pers-65) manages NAF civilian personnel programs for all NAFIs under the cognizance of CHNAVPERS. BUPERS (Pers-65) will:

(1) Maintain this manual in coordination with appropriate authorities and publish necessary revisions and changes.

(2) Maintain oversight of policies and programs set forth in this manual, ensuring consistent implementation and continuous application at all NAFIs under the cognizance of CHNAVPERS.

(3) Exercise such authorities as specified in this manual.

(4) Review and comment on all NAF civilian personnel policy issues.

(5) Provide guidance on the proper interpretation and application of NAF personnel policies.

g. Commanding Officers are responsible for supervision and control of NAF civilian personnel policy on their bases in accordance with policies contained in this manual or issued by BUPERS (Pers-65). Commanding Officers may delegate NAF civilian personnel administration to heads of NAFIs on their base

or to a servicing APF civilian personnel office, except in instances specifically prohibited in this manual.

107. Definitions. The following definitions apply, except where they may conflict with public law:

- a. APF Employee. A person paid from funds appropriated by Congress.
- b. Base Pay. Base pay is defined as annual pay which includes basic and locality pay.
- c. Concessionaire. An entrepreneur placed under contract to an authorized NAFI for the purpose of providing goods or services.
- d. Days. Wherever appearing throughout this manual, unless otherwise specified, days means calendar days.
- e. Flexible Employee. These are employees who serve in either continuing or temporary positions, on a scheduled or unscheduled basis, up to 40 hours per week. Flexible employees are not eligible to participate in the BUPERS benefits program, nor are they entitled to earn sick or annual leave. All flexible employees will be officially placed on the payroll of the employing NAFI.
- f. Foreign Areas. Areas situated outside the U.S., Federated States-of-Micronesia, and the Republic of the Marshall Islands (all formerly the Trust Territory of the Pacific Islands), the Commonwealth of Puerto Rico, Panama and the possessions of the U.S. (including the Commonwealth of the Northern Marianas Islands, a U.S. Territory).
- g. Heads of NAFIs. MWR Directors and heads of other miscellaneous NAFIs not under the control and supervision of a program director. Possible examples include (but are not limited to) Navy Flying Club Managers, Naval Academy non-MWR NAFIs, and Civilian Recreation or Civilian Cafeteria Managers.
- h. Host Country. A foreign country where U.S. Forces are stationed.
- i. Host Government. The political authority of the foreign country where U.S. Forces are stationed under provisions of a treaty or agreement.
- j. Indirect Hire System. A system where the host country assumes the responsibility of ensuring that the needs of the U.S. Forces for local, national personnel are met and that the host country is in fact the official employer of such personnel.

k. Local National NAFI Employee. A national or citizen of a host country who is employed in that country by or for a NAFI.

l. Local Prevailing Rates. Rates determined by wage surveys, paid to local national personnel employed in retail, wholesale, service, and recreation establishments for comparable jobs.

m. Non-U.S. Citizens. A person who is not a citizen of the U.S.

n. Nonappropriated Fund Instrumentality (NAFI). An integral DOD organizational entity through which an essential Government function is performed and other DOD organizations are provided or assisted in providing MWR programs. The NAFI is established and maintained individually or jointly by the heads of the DOD components.

(1) As a fiscal entity, the NAFI maintains custody of and control over its NAF, and is also responsible for the prudent administration, safeguarding, preservation, and maintenance of those APF resources made available to carry out its function.

(2) The NAFI contributes to the MWR programs of other organizational entities when so authorized. It is not incorporated under the laws of any state or the District of Columbia, and enjoys the legal status of an instrumentality of the U.S.

o. Nonappropriated Funds (NAFs). Consist of cash and other assets received by NAFIs from sources other than monies appropriated by the Congress. NAFs are Government funds and are used for the collective benefit of military personnel, their family members, and authorized civilians who generate them. These funds are separate and apart from funds that are recorded in the books of the Treasurer of the U.S.

p. NAFI Employee. A person employed by a NAFI and compensated from NAF.

q. Non-U.S. Member of the U.S. Armed Forces. A citizen of a foreign country who is serving on active duty as a member of the U.S. Armed Forces. When employed in an off-duty status as a NAFI employee, such personnel will be treated the same as U.S. citizen members of the U.S. Armed Forces who are NAFI employees.

r. Non-U.S. Citizen Dependent of a U.S. Citizen. A non-U.S. citizen NAFI employee who is a bonafide dependent of a U.S. citizen serving in a foreign area, and where such dependents are recognized by the host government as part of the U.S. Armed Forces under a Status of Forces or other agreement.

s. Private Organization. Generally a self-sustaining, non-Federal instrumentality, incorporated or not, constituted or established and operated on a DOD installation with the written consent of the installation commander or higher authority, by individuals acting exclusively outside the scope of any official capacity as officers, employees, or agents of the Government.

t. Program Director. The head of the NAFI, i.e., the director of the MWR Department, the manager of the transient bachelor quarters facility, or the manager of a civilian NAFI, etc., aboard a naval installation.

u. Regular Employee. These are employees of continuing positions who work on a scheduled basis. Those who work between 35 - 40 hours per week in this capacity are regular full-time employees, and those who work 20 to 34 hours a week, on a scheduled basis, are regular part-time employees. Regular full and part-time employees earn sick/annual leave, and are eligible to participate in retirement and 401K savings and investment plans. Regular full-time employees are eligible to participate in BUPERS benefits program, i.e., health, life and disability insurance.

v. Resident Aliens. People who are foreign born residing in the host country and who have not become naturalized citizens.

w. Third (Other) Country National NAFI Employee. A citizen or national of a country other than the U.S. or the host country, who is employed by a NAFI.

x. U.S. National. A person born:

(1) In an outlying possession of the U.S. on or after the date of formal acquisition of that possession;

(2) Of parents who are U.S. Nationals, in an outlying possession of the U.S.; or

(3) Of unknown parents in an outlying possession of the U.S.

y. Volunteer. A person who does not meet the definition of "employee" because he or she donates services that primarily benefit someone other than the NAFI where volunteer service is performed. Under such circumstances, there is neither an implied nor expressed compensation agreement. Services performed by volunteers include personal services which, if left unperformed, would not necessitate the assignment of an employee to perform them. Volunteers are not covered under the BUPERS (Pers-65) Workers Compensation Program.

(1) For volunteers, an agreement should be completed for each individual volunteering to serve in a NAFI organization.

(2) This agreement should detail when, where, and what the individual has volunteered to do for the NAFI with defined limitations.

(3) NAFI volunteers should also receive training by the NAFI organization that includes a review of responsibilities and reporting requirements that will enable them to carry out their assigned duties.

(4) The agreement will also state that the volunteer agrees that he or she will not receive any compensation for their duties. Figure 1-1 is a sample agreement.

108. Legal Status of Civilian Employees of NAFIs. NAFI employees are Federal employees within the DOD.

a. Section 2105(c)¹ of Title 5, USC, provides that:

"An employee paid from NAF of the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Ship's Stores Ashore, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, and other instrumentalities of the U.S. under the jurisdiction of the Armed Forces conducted for the comfort, pleasure, contentment, and mental and physical improvement of personnel of the Armed Forces is deemed not an employee for the purpose of:

(1) Laws (other than subchapter IV of chapter 53² and sections 5550³ and 7204⁴ of this Title) administered by the OPM; or

(2) Subchapter I of chapter 81⁵ and section 7902⁶ of this Title. This subsection does not affect the status of these NAF activities as Federal instrumentalities."

b. Subchapter IV of chapter 53 of Title 5, USC, as amended by Public Law 92-392, provides for a pay system under which the rates of pay of prevailing rate employees are fixed, and adjusted from time to time as nearly as is consistent with the public interest under prevailing rates.

Footnotes

¹ Definition of an employee.

² Prevailing rate pay systems.

³ NAF employee pay for Sunday and overtime work.

⁴ Certain areas of EEO.

⁵ Compensation for work injuries.

⁶ Safety programs.

c. The acts quoted above removed NAF employees from the provisions of laws or regulations administered by the U.S. Office of Personnel Management (OPM), except Equal Employment Opportunity (EEO) and wage fixing for prevailing-rate employees covered under the provisions of Public Law 92-392 (NA, NL, NS), and except for application of the Fair Labor Standards Act.

d. NAF personnel policy is governed or guided by DOD directives, instructions, manuals, executive orders, public laws, OPM issuances, DOD circulars, and other regulations.

e. An opinion rendered by the Merit Systems Protection Board (MSPB) states that NAF employees have no statutory or regulatory right of appeal to the MSPB because NAF employees: (1) are not covered by the definition of employee set forth in Title 5, USC, 7511; (2) are not covered by Title 5, CFR 752.401; (3) are specifically excluded as employees for the purpose of laws administered by the OPM; and (4) are not covered by Title 5, USC, 7121(d) and (e).

109. Employee Supervisory Authority. Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) memo of 26 September 1975 (NOTAL) advised that NAF employees may supervise APF employees, including assigned military. Conversely, this ruling provides the same authority for APF employees and assigned military to supervise NAF employees.

110. Entitlement to Personal Services and Government Quarters

a. The privileges afforded NAF employees shall be consistent with those available to APF employees. In addition, the personal use of the facilities of the NAFI, in which an individual is employed, may be authorized by local commanders when the use by regular eligible patrons is not diminished. The entitlement of Title 5, USC, 5911 (Government Quarters and Facilities), as well as any other regulations prescribed by the President and deemed to be necessary and appropriate to carry out the provisions of this section, are administratively extended to NAF civilian personnel.

b. In the U.S., except in isolated situations in which the only suitable quarters and facilities available are government-owned, NAF employees will be expected to secure their quarters from the private sector. Exceptions may be made when, in the judgment of the commander, the mission of the installation will be better accomplished by having certain key administrative NAF personnel quartered on the installation.

c. The occupation of Government quarters on a temporary basis by NAF employees while traveling on official business is authorized.

111. Transportation Agreement. BUPERS (Pers-65) NAF policy provides, under certain conditions, for travel and transportation expenses of the employee and his or her dependents, movement and storage of household goods and personal effects, and certain other allowances incident to employment by the NAF activity. These expenses will not exceed those prescribed in volume 2, Joint Federal Travel Regulations. Figure 1-2 provides a sample of a Transportation Agreement letter that will be completed when these entitlements are offered to current or potential employees.

112. New or Revised Programs. The provisions of this manual will not be construed as limiting NAFIs in the development and administration of personnel policies appropriate for sound and progressive career development and management programs. However, such programs must meet the basic objectives and policies set forth in this manual.

a. New programs or revisions to existing programs that modify NAF employee compensation, benefits or allowances beyond those authorized in this manual, must be approved prior to implementation. Recommended changes must be forwarded to BUPERS (Pers-65) for approval through the appropriate chain of command prior to implementation.

b. Commands are encouraged to carry out research and demonstration projects that test new approaches to personnel management. Such projects require prior approval of BUPERS (Pers-65), and consultation and negotiation with unions when negotiated agreements exist. BUPERS (Pers-65) may waive personnel policies in the conduct of projects, provided such waivers do not violate laws, rules, or regulations from higher authority.

EXAMPLE
AGREEMENT FOR SERVICES OF VOLUNTEERS

This agreement made on this _____ day of _____, 19____, by and between the Naval Training Center, Morale, Welfare and Recreation (MWR) Department (Activity), and _____ hereinafter referred to as volunteer.

WITNESSED:

Whereas, volunteer intends to donate his or her services to activity at the _____ and activity intends to accept the DONATION of the volunteer's services.

NOW THEREFORE, in consideration of the mutual promises, the parties hereto agree as follows:

1. Volunteer agrees to donate his or her services to activity in the capacity of a(n) _____. Said services will include, but are not limited to, the following:

2. It is mutually understood that the services of volunteer will be donated and that volunteer will receive no compensation from the activity nor be covered under the Workers' Compensation Program.

3. Volunteer further understands that the activity is self-insured for liability and that the volunteer is exposed to personal liability by reason of his or her services which extend beyond the scope of this agreement.

4. Activity agrees to indemnify volunteer, his or her heirs, executor, or administrators for any and all sums that volunteer, his or her heirs, executors, or administrators, may be legally obligated to pay due to personal liability of volunteer arising from duties performed within the scope of this agreement.

5. It is understood and agreed to by volunteer that the services of paragraph 4 will apply only to the case of liability arising out of the ordinary negligence which occurred during the scope of the volunteers services agreed to herein, and that in no way do any of these provisions apply for the benefit of volunteer, his or her heirs, executors or administrators in any action arising out of gross negligence, willful misconduct, or any other conduct on the part of volunteer which cause or may give rise to criminal liability.

6. Volunteer further agrees that volunteer will fully cooperate with activity and its agents in any investigation, lawsuit, arbitration, or any other legal, or quasi-legal proceeding which arises from activity which is covered by this agreement. Volunteer further agrees to notify the activity immediately of any incident which occurs or may occur within the knowledge of the volunteer, which gives or may give rise to liability on the part of all the volunteers or the activity.

Recreation Division Head

MWR Department

BUPERSINST 5300.10
3 Dec 97

NAF ACTIVITY

DATE

NAME OF EMPLOYEE

1. BUPERS policy provides, under certain conditions, for travel and transportation expenses of the employee and his or her dependents, movement and storage of household goods and personal effects, and certain other allowances incident to employment by a NAF activity.

2. We have authorized you the following travel/transportation and related entitlement(s) in keeping with our recent employment offer:

ENTITLEMENT	AUTHORIZED	
	YES	NO
A. Travel, transportation and per diem for the employee from _____ to (activity name).		
B. Travel, transportation and per diem for authorized family members from _____ to (activity name).		
C. Shipment of household goods from _____ to (activity name).		
D. Storage of household goods NTE 45 days.		
E. Temporary Quarters Subsistence Expense (TQSE) NTE 30 days (starts once on activity payroll).		
F. Miscellaneous expense (NTE \$700 with family or \$350 without family, in conjunction with relocation).		
G. Other(s)		

3. In order to establish eligibility for the above allowances, I understand and agree that:

a. I will remain employed with (activity name) for at least 12 months beginning with my first actual date of work unless separated for reasons beyond my control and acceptable to the management of (activity name).

b. If I fail to fulfill the terms of this agreement, or if I am removed for cause before expiration of the required 12 months of employment, I will, upon demand, repay to (activity name) a sum of entitlement. I authorize (activity name) to withhold any final pay due to me to apply against or liquidate any indebtedness arising for violation of this agreement.

Signature of Employee/Date

Signature of Personnel Rep/Date

CHAPTER 2

EMPLOYMENT AND PLACEMENT

201. Employment. The CHNAVPERS is committed to ensuring that the recruitment, selection, placement, promotion, termination, and other related personnel actions involving NAF employees are in consonance with the Federal Government's commitment to fair employment practices and equal opportunity and treatment for both applicants and employees. As such, reference (a) is supplemented by the general policy provisions of the following subparagraph.

a. Administration. Administration of employment processing and other personnel procedures for a BUPERS NAFI can be a complex operation, involving personnel appeal procedures, employee benefits, and all other facets of personnel administration. Cognizant installation commanders may establish a central NAF personnel office to handle the personnel administration of BUPERS NAF employees. NAF personnel administration may also be performed in an APF Human Resource Office (HRO), on a cost reimbursable basis, if this is deemed by the command as the most appropriate means of accomplishing this function.

b. Financial Support of Staffing

(1) It is Navy policy to provide, maintain, and operate adequate facilities to accommodate well-rounded MWR programs to ensure the mental and physical well-being of Navy personnel. In consonance with this policy, paragraph 075500 of the Navy Comptroller manual authorizes the expenditure of APF to staff certain MWR positions.

(2) Day-to-day personnel administrative functions performed for NAFIs, under the direction and supervision of an HRO, is authorized APF support provided additional incremental APF costs are not incurred.

(3) Cognizant installation commanders should resist converting authorized civil service billets to NAF billets if at all possible.

(4) A NAF position brought into the competitive service (civil service) by delegated conversion authorities may not be returned to the NAF for filling under the NAF personnel staffing procedures.

202. Categories of Employees

a. Regular Employees. These are employees of continuing positions who work on a scheduled basis. Those who work between 35 - 40 hours per week in this capacity are regular full-time employees, and those who work 20 to 34 hours a week, on a scheduled basis, are regular part-time employees. Regular full-and part-time employees earn sick/annual leave, and are eligible to

participate in the retirement, and 401K savings and investment plans. Regular full-time employees are eligible to participate in BUPERS (Pers-65) benefits program, i.e., health, life and disability insurance.

b. Flexible Employee. Those who serve in either continuing or temporary positions, on a scheduled or unscheduled basis, up to 40 hours per week. Flexible employees are not eligible to participate in BUPERS (Pers-65) benefits program, nor are they entitled to earn sick or annual leave. All flexible employees will be officially placed on the rolls of the employing NAFI.

(1) Category Changed Employees. Regular employees who have been enrolled in the benefits program for 3 or more years and whose employment is involuntarily changed from regular to flexible, may, at management discretion, continue in the benefits program if total hours worked (either scheduled or unscheduled) are at least 40 hours in a biweekly pay period.

(2) Temporary Emergency Employees. Those who are employed for not more than 30 days in the event of an emergency without regard to normal hiring practices. Temporary emergency hire employees are prohibited from employment in food service or beverage handling, and processing or servicing positions, prior to issuance of a Food Handlers Certificate. Temporary emergency employees may be extended for an additional 30 days with BUPERS (Pers-65) approval.

c. Probationary Employee. A probationary period is required for a person appointed to a regular full-time or regular part-time position in a NAFI. During the probationary period, the employee's conduct and performance in the actual duties of his or her position may be observed, and he or she may be separated without undue formality if circumstances warrant, i.e., terminated at any time for any reason.

(1) The length of the probationary period will be one plan for all positions.

(2) Only one probationary period will be required for a NAF employee except:

(a) Where a break in service of more than 6 months occurs, the employee will be required to serve a new full probationary period.

(b) If a former regular employee is rehired within 6 months of separation in the same or similar duties, and completed only a portion of the required probationary period during the first period of employment, that portion will be credited to the employee.

(3) Time spent in a flexible position which immediately precedes the assignment to a regular position in the same title, series, and grade in the same NAFI will be creditable towards completion of the probationary period if the regular assignment is one involving the same or similar duties.

d. Promotion. A promotion occurs when an employee is moved from a position in one pay band to a higher pay band. Upon promotion, the selectee must be given a base increase of at least 5 percent, or that amount equal to the beginning rate of the band to which promoted, whichever is greater.

e. Temporary Promotion. A temporary promotion occurs when a pay band employee is moved from a lower to a higher pay band for a specified limited time. Temporary promotions may be made up to six months on a noncompetitive basis, and up to 2 years on a competitive basis. Temporary promotions beyond 6 months time frame must be made through competitive procedures. Persons promoted on a temporary basis must be given a minimum of a 5 percent pay increase, or that amount equal to the beginning range of the level or pay band to which promoted, whichever is greater.

f. Career Progression. Career progression positions with known potential, as well as those that are considered part of a career progression in a specialized field, should be competitively advertised rather than filled by reassignment action to ensure fairness and to provide an opportunity for other qualified candidates to apply for the position.

(1) Career Promotions. A career promotion is the promotion of an employee without current competition when competition was held at an earlier date including the initial appointment and the employee was appointed on an entry level or intermediate position designed or intended to prepare him or her for the full performance level of the position being filled. An activity may make successive noncompetitive promotions of such an employee until the full performance level of the career series or occupation is reached.

(2) Developmental Positions. Such actions take place, on a noncompetitive basis, when an employee is hired or placed into a developmental position in a lower pay band to fill a full performance position in a higher pay band. Upon successfully completing training, or otherwise meeting management's requirements, the incumbent of such positions may be noncompetitively promoted to the higher or full performance pay band. Such procedures will also be followed whenever management decides to fill full performance level positions at a lower level within the same pay band. Positions that call for noncompetitive movement to higher pay bands must be clearly announced as "in-put" or "non-full performance level positions" with the potential to move to a full performance level and/or pay band upon meeting management's stated requirements. The full performance level pay band, position, and title will be shown in the announcement.

g. Detail. A detail is a noncompetitive, temporary assignment of up to 6 months of a pay band employee to another position in his or her assigned pay band, or to a position in a lower pay band/level. Employees who are detailed to a position at the same or lower pay band/level as the one from which detailed shall continue to be paid at his or her regularly scheduled rate of pay. Incumbents of a position in a pay band may not be detailed to positions in higher pay bands. Such actions, if needed, must be accomplished by use of a temporary promotion. A standard form (SF-52) will be prepared for each detail of more than 30 days. Time spent in details is considered "qualifying experience" and will be so credited during qualification determinations.

h. Reinstatement. A former and otherwise eligible NAF employee may be reinstated to any NAF position on a noncompetitive basis as long as:

- (1) The employee's separation was not for cause.
- (2) The employee did not resign while under oral or written notice of management's intent to propose separation for cause.
- (3) The vacant position is in a pay band no higher than any NAF position previously held by the reinstatement eligible in a prior regular appointment. Reinstatement to higher pay bands under such appointments must be made on a competitive basis.

i. Transfers. The movement of a NAF employee from one NAFI to another, without a break in service, while remaining in the same pay band. Such movements may be made on a noncompetitive basis, except pay band 3 if spousal preference becomes a consideration.

j. Reassignment. Management initiated actions that represent the movement of a NAF employee within his or her position's same pay band to another position for which qualified, in the same NAFI and pay band. Management maintains the right to reassign its employees and such movements may be made on a noncompetitive basis.

- (1) Pay adjustments may occur during such actions.
- (2) Management must document the incumbent's qualifications for the new position, either by memorandum or a new application for employment from the incumbent, prior to the reassignment.
- (3) All PDs must be written and approved prior to the reassignment, and kept current thereafter.

k. Voluntary Change to Lower Pay Band. Management may accept voluntary applications from employees in higher pay bands, and make selections from

these applications for positions in lower pay bands on a noncompetitive basis. In such cases, the employee must meet minimum qualification requirements.

203. Assignment of APF Personnel (Military and Civilian)

a. Military Personnel. MWR programs are authorized APF staffing in accordance with the appropriate funding category specified in the below chart:

ELEMENT OF RESOURCE AUTHORIZED		APF SUPPORT		
		A	B	C
1. MILITARY PERSONNEL		Y	Y	N
2. CIVILIAN PERSONNEL.				
a. Permanent and/or Temporary Assignment				
(1) ECECS at Headquarters, Major Command & Installation levels.		Y	Y	Y
(2) Managerial and supervisory functions.		Y	Y	N
(3) Base Realignment and Closure related costs for NAF and APF employees.		Y	Y	N
(4) Personnel directly and primarily involved in resale.		Y	Y	Y
(5) All other functions.		N	N	N
b. Additional or Collateral MWR Duties.		Y	Y	N

Military Personnel may be utilized by all Category A and B activities on permanent assignment, temporary assignment (no more than 90 days), and for additional and collateral MWR duties. If 25 percent are MWR specific, the costs must be reported as MWR. All costs associated with military personnel, including temporary duty travel, should be financed using APF. Additionally, the use of military personnel is authorized for all MWR categories when essential for the provision of ECECS and also for the provision of security, when not otherwise available. Military personnel may be assigned to MWR activities provided one of the following conditions are met:

(1) Where effective ECECS cannot be provided by the assignment of civilian personnel.

(2) When required for deployments or at locations where qualified civilians are not available through the local labor market.

(3) To provide staffing for shipboard activities.

(4) Military personnel may be placed on temporary assignment to MWR activities, to include detail and temporary duty, for a period not to exceed 90 calendar days. Temporary assignments may be made under the following conditions:

(a) The military member, possessing a non-critical rating, is awaiting reassignment or other personnel action and is not required to perform in his or her rating or military occupational specialty during that period.

(b) Navy afloat or other deployed units arrive at supporting location and military members are required to augment the host installation.

(c) Mobility or deployment requirements occur.

(d) Training to upgrade or maintain essential military skills cannot be provided through other means.

(5) Military personnel assigned for duty in bachelor quarters may serve as agents for clubs in stocking and collecting receipts for alcoholic beverages for honor bar operations within the bachelor quarters subject to approval by the installation commander.

b. Restrictions on the Assignment of Military Personnel

(1) Enlisted personnel officially assigned to duty in MWR positions will not be paid any monetary supplement. Such personnel will not accrue either annual or sick leave, other than official military leave as authorized.

(2) Enlisted personnel will not be assigned or detailed to duty involving the selling or serving of alcoholic beverages. They may be voluntarily employed for this purpose in their off-duty hours, as provided elsewhere in this manual.

(3) Mess management specialist personnel may be detailed to duty at official entertainment or social functions held on government property and financed by official representation funds per SECNAVINST 7042.7G (NOTAL). Such assignment will be considered regular military duty; duty hours and liberty times of affected mess management specialist personnel will be adjusted accordingly. Neither mess management specialist personnel nor other enlisted personnel will be detailed to duty for nonofficial entertainment or social functions that are not financed by official representation funds. Social functions not financed by official representation funds include those contributing to the personal benefit of an officer or group of officers which have no connection with official duties and responsibilities. Entertainment for the enjoyment and benefit of those participating, occurring on a temporary or continuing basis, both during and after normal working hours, is a social

function. Station, ship, staff, squadron and private parties, ladies' luncheons, and all food service, other than essential food service, are defined as social functions, as are sales in bars, and cocktail lounges.

(4) Enlisted personnel assigned to managerial positions in a NAFI may not be employed in the same NAFI during off-duty hours.

c. Civilian APF Personnel. Civil service personnel may be utilized on permanent assignment, or an additional or collateral duty basis, in Category A and B activities if they are performing managerial functions, or if the position requires technical or professional qualifications. NAVCOMPT manual, paragraph 075524.6, provides special provisions for child care employees. Personnel accountable for APF resources and the protection of the interest of the Federal government should also be civil service employees. Civil service employees may also be engaged in ECECS (not included as a cost of MWR), regardless of the category of activity. For civil service employees, if 25 percent or less of assigned duties are MWR specific, no cost should be allocated to MWR; if more than 25 percent, the costs must be reported as MWR. All costs associated with civil service personnel should be financed utilizing APF, regardless of the category of activity by which the civilian is employed. These costs include permanent change of station travel, transportation of household goods, temporary duty travel, and education and training. In rare instances, NAF may be used for temporary duty travel of civil service personnel.

(1) Rules and regulations concerning the administration of civil service personnel assigned to DON NAFIs are published by the OPM and are contained in civil service regulations.

204. Employment of Retired Uniformed Service Personnel

a. Retired members of the Uniformed Services have every right to seek, and be considered for, civilian employment in BUPERS NAFIs on the same basis as other applicants. However, there is an obligation to assure that consideration for positions is extended to all candidates on an equitable basis, in strict compliance with the spirit and fundamental considerations of merit and open competition. Special measures are necessary to comply with DOD Directive 1402.1 and to guard against the appearance that retired Uniformed Service members might be given preferential consideration. This is essential, not only in the interest of the public and of NAF employees, but to protect such retired personnel from unwarranted allegations that they obtained their positions through influence based upon prior military service.

b. All NAF vacancies will be publicized, and recruitment conducted, over a sufficiently long period of time (advertised for a minimum of 2 weeks) to

give all interested candidates an opportunity to apply. The qualification requirements for the position will not be written in a manner designed to give advantage to a particular individual or group of individuals. To avoid any suspicion or appearance of preferential treatment, full consideration must be given to qualified current NAF employees in accordance with regular promotion procedures. Reasonable efforts to locate other qualified candidates will be made before appointing a retired member of the Uniformed Services to a NAF position.

c. Positions will not be held open pending the retirement of a member of the Uniformed Services to provide that person with a preferential opportunity to apply for, or be appointed to the position.

d. If the position was last occupied by the proposed appointee, or another military incumbent, it will be clearly demonstrated that the proposed change to a civilian incumbency is to meet a bonafide management need, and not merely to afford civilian employment to the proposed appointee.

e. Appointment of retired members of the Uniformed Services to any NAF position during the period of 180 days immediately following retirement must be accomplished consistent with the intent of DOD Directive 1402.1. Activities can request a waiver prior to the actual date of retirement, but the retired member cannot be employed prior to his or her actual date of retirement. Waivers are also required after the 180-day period when:

(1) A waiver was previously requested and denied at the same NAFI, and for the same position which was not otherwise filled.

(2) A retired military member was recalled to active duty at an activity which subsequently desires to appoint the member as a NAF civilian employee within 180 days of release from recall.

f. Before employing, in any category, a retired member of the Uniformed Services within 180 days immediately following retirement, prior approval must be obtained from CHNAVPERS (hereby further delegated to BUPERS (Pers-65)). OCPM is the approving official for appointments to NAF positions under the direct supervision of CHNAVPERS. All requests for approval of a waiver of the 180-day waiting period must be submitted to BUPERS (Pers-65) in letter format, and include a copy of the individual's application and other documents, and statements as indicated below:

(1) The effective date of retirement from the Armed Forces.

(2) Rank at time of retirement.

(3) Pay grade and Uniformed Service at the time of retirement, whether regular or a reservist.

(4) A current application, or resume, completed by the proposed appointee.

(5) Date the position was established.

(6) Date the position was last occupied.

(7) Whether the position was converted from military to civilian status.

(8) Date of conversion, if applicable.

(9) Reason for conversion, if applicable.

(10) Whether the proposed appointee was the last military occupant.

(11) A current position description.

(12) Whether the position is regular full-time, regular part-time, or flexible.

(13) A statement of the qualifications required to perform the duties of the position.

(14) Whether efforts to fill the position have been continuous since it became vacant, if not, the reasons therefore.

(15) A copy of notices and advertisements used to publicize the vacancy.

(16) Documentation on how the proposed appointee is superior to all qualified candidates considered.

(17) A statement that methods used in soliciting applications for positions, and sources utilized in developing a supply of applicants for employment consideration (i.e., internal posting, advertising, employment services, Priority Consideration/Placement Lists, etc.), complied with placement procedures and assured other persons equal opportunity to apply and receive consideration for the position. If this is not the case, explain the reasons.

(18) A specific statement certifying that the position was not held open pending retirement of the proposed appointee.

g. For the purpose of the foregoing, the following terms are defined:

(1) "Armed Forces" - The Army, Navy, Air Force, Marine Corps, and Coast Guard.

(2) "Active Duty, Active Service, and Member" have the definitions given them by section 101 of Title 37, USC.

(3) "A retired member of any of the Uniformed Services" - A member or a former member of any of the Uniformed Services, entitled under any provision of law to retired, retirement, or retainer pay on account of service as such a member.

(4) "Position" means a NAFI civilian office or billet (including the flexible category), the incumbent of which is to serve under appointment.

h. Approval officials must maintain complete case files for actions taken under this authority. The records must be available for inspection and be maintained for 2 years. The requesting NAFI must maintain records of approval of requests to waive the 180-day restriction. A copy of the approval must be maintained in the Official Personnel Folder (OPF).

i. Retired regular officers of the Uniformed Services are subject to the Dual Compensation Act. Refer to Section 318 for details concerning dual compensation.

j. A retiring military individual, who is on terminal leave, may apply for and be selected for employment with a NAFI, but cannot commence work until the expiration of such terminal leave.

205. Preference in Hiring for Involuntarily Separated Members of the Armed Forces and their Dependent

a. In accordance with P.L. 101-510, section 502(a), which added section 1143(d) to Title 10, USC, the heads of the DOD Components will take steps to provide preference in hiring by NAFIs for involuntarily separated members of the Army, Navy, Air Force, and Marine Corps, and their dependents.

(1) This program is in addition to the spouse employment preference in section 212 below, except that section will have priority over a preference under this section.

(2) A person may receive a preference in hiring only once under P.L. 101-510. Transition hiring preference is terminated upon placement in, or declination of (whichever occurs first), a NAF position for which application is made.

(3) Preference applies to all NAF jobs, NF-3 and below and equivalent positions, and for positions paid at hourly rates, regardless of the grade of the job for which the individual eligible for transition hiring preference applies, and is fully qualified.

(4) Preference applies to any NAF job which is open to competition in accordance with merit practices, even if there are enough "in-house eligible" personnel otherwise to limit competition just to those under merit procedures. Preference will not be limited to just those vacancies where it is necessary to hire someone outside the organization.

(5) A person eligible for preference will be referred for selection only if he or she is among the best qualified candidates after a competitive screening process is completed.

206. Veteran Employment Preference. Preference in employment will be given to veterans, and the spouses and parents of deceased veterans. This preference is granted provided they are equally qualified for the vacant position, and the veteran's discharge on termination of U.S. military service was not less than "under honorable conditions."

a. Evidence of Veteran Status. Official documents issued by the Uniformed Services, or the Veterans Administration, are required to establish compliance with the requirements for active duty and for separation under honorable conditions, and the following facts, when they are needed:

(1) That active duty was in a war, or in the period 28 April 1952 through 1 July 1955, or more than 180 consecutive days, other than for training, during the period beginning February 1955, and ending October 14, 1976, or in a campaign or expedition for which a campaign badge is authorized.

(2) Existence of a service connected disability or receipt of compensation, pension or disability retirement; and

(3) Death of eligible uniformed member in the line of duty in those cases where preference is claimed by the spouse or the parent.

207. Equal Employment Opportunity (EEO)

a. It is the policy of the CHNAVPERS that NAFIs employing NAF personnel, will utilize the local installation or command APF EEO staff on a non-reimbursable basis.

b. In furtherance of the above, the head of each NAFI will, to the maximum extent possible:

(1) Provide sufficient resources to administer its EEO program in a positive and effective manner.

(2) Conduct a continuing campaign to eradicate every form of prejudice or discrimination based upon race, color, religion, age, sex, physical or mental disability or national origin, from personnel policies and practices and working conditions, to include taking disciplinary action against employees who engage in discriminatory practices.

(3) Communicate this policy and employment needs to all sources of job candidates.

(4) Provide for the prompt, fair, and impartial consideration and disposition of complaints involving issues of discrimination; and

(5) Establish a procedure for periodically evaluating the effectiveness of the overall EEO effort.

c. Each NAFI will follow SECNAVINSTs 12720.1 and 12720.5 and local command EEO directives.

208. Reinstatement

a. Termination for Cause. Any employee terminated for cause will not be reinstated or reemployed in any BUPERS NAFI.

b. Reemployment Limitation on Retired NAF Employees. Retired employees cannot be hired in a regular employment category, however, they can be hired as flexible employees whose hours are not to exceed an average of 19 hours per week.

209. Recruitment

a. BUPERS (Pers-653) will maintain a continual recruitment source that allows cognizant installation commanders to advertise key, or hard to fill positions, on a Navy-wide basis.

b. BUPERS (Pers-653) will provide a monthly communique to all installations with BUPERS NAFIs listing known vacant positions.

c. BUPERS (Pers-653) will assist in selection of employees to fill vacant positions as requested by cognizant installation commanders.

d. BUPERS (Pers-653) will identify qualified potential candidates, if available, for vacant positions when requested.

210. Position Control. Heads of NAFIs will develop staffing levels which reflect the optimum numbers and grades, including series code, of all positions required in each department of the NAFI. Staffing levels shall be approved by the cognizant installation commander.

211. Special Selection Considerations

a. A NAF employee recruited in the U. S., its territories or possessions, who has satisfactorily completed a normal tour for the area in which the NAFI is located outside the 50 states, will be given priority consideration for any position within the 50 states.

b. Employment of Handicapped/Disabled Individuals. NAFIs may noncompetitively employ disabled individuals subject to these individuals being certified by the State Rehabilitation Service or the Veteran's Administration. If employment in a NAFI position is proposed, the initial appointment will be on a temporary basis not to exceed 12 months. If at the end of the 12-month period, management wants to convert the employee, such conversion is authorized noncompetitively. Under no circumstances will any temporary appointment of a disabled individual be extended beyond the initial 12 month period.

212. Spousal Employment. Spouses of active military personnel will be provided preferential consideration in NAF employment per Executive Order 12560 of 2 October 1986 (NOTAL) and PDASD (FM&P) memorandum of 17 February 1987 (NOTAL). Such preferential consideration will be executed per the following guidelines:

a. Spouses eligible for preferential consideration are wives or husbands of an active duty military member of the U. S. Armed Forces, including members of the National Guard or Reserves on active duty. The marriage must have occurred before the military member received official Permanent Change of Station (PCS) orders to the installation at which employment is being considered

b. The time period of eligibility for spousal preference begins 30 days before the military member's reporting date at the new duty station and

applies without time restriction except that spouses seeking preference with less than 6 months time remaining in the area may be nonselected for permanent continuing positions. When a spouse has been employed in a continuing position, either NAF or APF, they are considered to have used their spousal preference, whether it was declared at the time of employment or not.

c. This preferential consideration applies only to NAF vacancies to be filled through competitive means, and to spouses applying and referred for NAF positions in all employment categories at the NF-3 and below level, or equivalent hourly rate positions (hourly rates at or below the NF-3 level), and at installations within the commuting area.

d. Eligible spouses will request consideration by submission of a completed application or resume to the servicing personnel office, or directly to the NAFI in which consideration is desired.

e. The servicing personnel office is responsible for verifying eligibility of spouses for preferential consideration.

f. Preference should be limited to the specific positions identified for consideration on the application or resume.

g. Eligible spouses will be included within the minimal area of consideration.

h. Eligible spouses referred to a selecting official as among the "Best Qualified" to fill the vacant position will be selected over other non-preference candidates.

i. Exceptions to selection of eligible spouses will be rare and based on compelling hardship to the functioning of the NAFI, or other reasons acceptable to the eligible spouse applicant. Exceptions will be approved by the cognizant installation commander prior to final selection action.

j. Position vacancies eligible for spouse preferential consideration will be widely published locally, and prominently posted in areas of the installation frequented by spouses.

k. Management may reassign a qualified employee in the same pay band and employment category of the position to be filled without the requirement to consider spousal preference eligible. Management may also advertise in-house

under a noncompetitive announcement and select a qualified onboard employee (same employment category of advertised position) without the requirement to consider spousal preference eligible. Finally, management may solicit or accept applications from eligible NAF employees outside the organization (from the same pay band and employment category of the vacant position) as long as an announcement or (competitive or noncompetitive) was not used to solicit such applications. If an announcement is used to solicit applications from outside the organization, whether the announcements are competitive or noncompetitive, then spousal preference will apply. All competitive announcements pertaining to positions in pay bands 1 through 3, irrespective of the area of consideration, make spousal preference mandatory unless the competitive area is limited to employees of the NAFI concerned.

1. Copies of employment actions documenting placement of spouses under preferential consideration will be forwarded quarterly to BUPERS (Pers-653).

213. Changes in Employment Category

a. Changes in employment (e.g., part-time to full, full-time to part-time, part-time to flexible), based on changes in operational requirements, are considered business based actions (BBA).

b. A reduction in scheduled hours of work which does not change the employment category is not to be treated as an adverse action.

214. Physical Examinations. Health standards for Categories A, B, and C personnel will follow the requirements of Section VII, NAVMED P-5010, Manual of Naval Preventive Medicine. Installation commanders will ensure compliance with Section VII, NAVMED P-5010 by all NAFIs. For child care and youth programs, OPNAVINST 1710.9 applies.

215. Non-U S. Citizen Employees

a. In non-foreign areas, non-U.S. citizens are identified in two categories:

(1) Permanent residents who have been issued an Alien Registration Card (i.e., "Green Card"), which must be renewed annually.

(2) Dependent of a Foreign National Serving on Active Duty as a Member of the U.S. Armed Forces. These non-U.S. citizens are usually in the nonforeign area strictly as dependents of the member of the Armed Forces. Documents in their possession should include: Immigration Form, I-94 (Arrival and Departure Registration) and their military dependent's identification card.

(3) Foreign dependents of active duty personnel must possess an Alien Registration Card and dependent identification card to be employed in CONUS.

(4) Generally, only citizens of the U.S., their dependents, and foreign nationals serving on active duty as members of the U.S. Armed Forces and their dependents, may be employed in NAFIs. If, after positive recruitment efforts, no other qualified personnel are available, qualified non-U.S. citizens may be employed. In nonforeign areas, authorization to employ bona fide residents is delegated to commanding officers except, where there is a centrally administrated career management program, BUPERS (Pers-65) will authorize such employment.

b. All prospective non-U.S. citizen employees are required to produce documents cited above, and in the event of employment, evidence of proper documentation will be placed in the individual's personnel file.

c. In nonforeign areas, authorization to employ foreign nationals is delegated to commanding officers.

216. Employment of Minors. The employment of minors, ages 14 and 15, is authorized by DASD (CPP) memorandum of 9 February 1987. The employment of all persons less than 18 years of age will follow published state and local standards and requirements, and the FLSA. Such persons may not be employed in or assigned to positions that are hazardous or detrimental to their health. In foreign areas, such employment will be under summer and student programs and paid under a special summer and student wage schedule.

217. Designation of Beneficiary for Unpaid Compensation

a. Each NAF employee must complete the NAF Designation of Beneficiary, NAVPERS 5300/13, for unpaid compensation. This form must be updated as required.

b. NAVPERS 5300/13 will be completed in duplicate, the original placed in the employee's OPF, and the duplicate retained by the employee. The back of the form provides instructions for completion. When designating more than one beneficiary, the percentage to be paid to each must be specified on the form, not to exceed 100 percent in total.

218. National Agency Checks (NAC). An NAC is required for all NAF personnel assigned to positions of trust. Included in positions of trust are employees who have been assigned responsibility for cash or inventory values in excess of \$5,000. All child care and youth activity positions are considered positions of trust and require a background investigation in accordance with OPNAVINST 1700.9D.

a. Before a NAF employee can be assigned to a position of trust, it must first be determined if the individual has had a favorable prior investigation for Federal/NAF service, including military, and that there has not been a break in service greater than 12 months between the Federal/NAF service and the position of trust assignment. If the break in service criteria is met, there is no need for another NAC.

b. In employment/assignment situations, other than that cited above, an NAC must be requested for NAF employees assigned to positions of trust. Detailed guidance/instructions concerning initiating requests for NACs are provided in OPNAVINST 5510.1.

c. Verification of a completed NAC must be documented in the OPF.

219. Work Performance Appraisals

a. Policy. The contents of this section apply to all incumbents of civilian NAF positions, except those sections pertaining to "pay adjustments" which are not applicable to NA, NL, and NS and "GSE" child employees and NAF employees in Panama.

(1) Since employee performance is the key to the success of any organization, the importance of a performance appraisal cannot be overstated.

(2) Managers/supervisors who fail to evaluate their employees', as required, could jeopardize such employees' continued employment or salary rates. Managers must give a performance appraisal the highest priority in fulfilling their supervisory/managerial tasks. Employees should take action, i.e., grieve, if necessary), the untimely or total absence of required and scheduled performance evaluations.

b. The Process. An appraisal form, titled "Nonappropriated Fund Employee Performance Rating Form" (NAVPERS 5314/2), has been constructed for use in this program. All previous forms are obsolete. An explanation of the contents of the form and its use can be found on the reverse side of the form. All NAF employees, regardless of an employment category, must be appraised by the use of the NAF Employee Performance Rating Form and be given one of the four following performance ratings at least annually: outstanding; highly satisfactory; satisfactory; or less than satisfactory.

(1) On completing the appraisal form, managers, and/or supervisors must recommend whether or not pay band employees are to be afforded pay adjustments and/or awards.

3 Dec 97

(2) Within 2 weeks of completing 90 days on an activity's rolls, new employees will be provided with a complete appraisal by use of the appraisal form. Transferring NAF employees, without an annual appraisal, are provided with a "presumptive" satisfactory rating until they are rerated annually.

(3) Employees newly hired into the organization should be provided with a copy of the appraisal form as part of their "indoctrination," and provided with a complete explanation of its use and importance to their work life with the organization. The 90-day requirement for appraisal, and the reasons for such, should be made clear to the employee. This is an immediate supervisor responsibility.

(4) Management may elect to reevaluate an employee's performance at anytime they determine that changed performance requires such reevaluation. However, in taking BBAs, performance appraisals used to arrive at such decisions must be at least 90 days old (i.e., have been signed 90 days prior to the formal announcement of management's decision to take needed BBAs). This 90-day requirement means that management cannot change a rating and then immediately conduct a BBA based on the new rating.

(5) Presumptive ratings equal to the most recent record of rating are granted to employees when, due to management failure, inaction, or reasons beyond the control of the employee, only one valid rating of record is found in an employee's OPF. Such situations occur when an employee has been assigned to a NAFI for a sufficient duration to have been required to have been provided at least two annual performance ratings. Since, under such circumstances, an employee could be adversely impacted through no fault of his or her own by being granted a presumptive rating of satisfactory, such ratings are not given under these circumstances. Instead, the presumptive rating granted will be identical to that of the most recent performance rating of record.

(6) Annual performance ratings are only good for a period not to exceed 14 months, i.e., 425 days from the date of formal approval. The reason for the 60 additional days, beyond the 1 year from the date of last annual performance rating, is to allow management time to rerate the employee upon expiration of previous performance appraisal year. Earned ratings expire in 14 months unless replaced with newly earned and assigned ratings. In the event the old rating elapses and the supervisor fails to rerate the employee, a presumptive duplicate rating will be used.

(7) Management may decide to award a pay band employee with a basic pay increase based on performance at any time deemed appropriate. To do so, management would fill out a new appraisal form, including the pay section, then fill out a personnel action request, and upon approval, send them to Personnel for processing.

(8) The use of this appraisal form does not preclude the use of appraisal tools such as management by objectives, or the use of performance standards. These remain activity options. However, the appraisal form and ratings must be used as the final measurement of any locally devised/used system.

c. Less than Satisfactory Performance. When a regular, nonprobationary employee's performance is viewed or rated as less than satisfactory, the following will apply:

(1) A Letter of Caution will be given to the employee that reflects written concern by management about the unsatisfactory performance of the employee. Such letters represent non-disciplinary, nonadverse action and is neither grievable nor appealable. This Letter of Caution will not be included in the employee's OPF unless it is subsequently used as a basis for disciplinary action.

(2) Each Letter of Caution, based on performance, must:

(a) State the employee's performance shortcomings.

(b) State specifically the performance which must be met, or corrections made, in order to achieve a satisfactory level.

(c) Set a definite trial period of reasonable duration, i.e., at least 30 days, but this time-frame depends upon such factors as nature of deficiencies, type of position, etc. It should not appear that management is hurrying the process. Instead, a reasonable amount of time, relative to the type of position involved, and correction's and/or improvements required, must be considered in establishing such time-frame. During this time, the employee must demonstrate at least satisfactory performance, or show sufficient substantial improvement to warrant continued employment.

(d) State that reasonable assistance will be offered by the employee's supervisor.

(e) State that improvement must be sustained.

(f) State that failure to improve may result in demotion or removal.

(3) If, upon completion of the trial period, the employee's performance meets the requirements stated in the Letter of Caution, the

3 Dec 97

employee will be so notified in writing. This written notification, however, will advise the employee that similar deficiencies in performance occurring within a specified time period established by management, may result in a proposed adverse action. This proposal may be issued without the issuance of another Letter of Caution, or establishment of another trial period.

(4) If, upon completion of the trial period, the employee's performance is still not deemed as "satisfactory," demotion, removal, loss of pay, or reassignment action should be taken. If management decides to merely reassign the employee, (i.e., place him or her in another position within the same pay band without loss of pay), such reassignment is made at management's discretion by use of a formal personnel action. In such instances, the employee has no right to grieve or appeal the action. If, however, management decides to either separate, demote, or decrease the employee's basic rate of pay, based upon his or her failure to raise performance to at least a satisfactory level, then such action is appealable (regular non-probationary employees only). Such rights will be afforded the employee in management's written decision. The Letter of Caution, which must be given for at least 30 calendar days before final reevaluation of the employee's performance, meets the 30-day minimum notice of separation requirements for such actions. The final decision on the matter should give the employee a minimum of 7 calendar days notice prior to the effective date of any "adverse" action, and provide appeal rights, if appropriate. Severance pay is not authorized under such conditions. The program director, or designee, signs decision letters concerning "less than satisfactory" employee performance.

d. Grieving Performance Ratings/Appraisal. An employee may grieve his or her overall performance rating, or the rating of individual factors. Employees may also grieve a supervisor's failure to provide a timely appraisal of performance. Such grievances must be filed within 7 days of receipt of the rating, or in cases where the issue is a supervisor's failure to provide a timely rating, the time frame for such grievances is 7 days from the termination time of the current, or last rating (this time may be extended when employees have not been informed in a timely fashion as to the date of their next rating). Management should consider a supervisor's use, or neglect of the appraisal rating process during overall annual performance evaluation of each supervisor/manager.

e. Performance and Salary Increases. Management may increase a pay band employee's salary at anytime, however, in no case will individual pay increases exceed 15 percent per year. Such increases may be based upon factors other than performance, (e.g., need to retain specific skills/qualifications). The appropriate blocks should be completed authorizing a pay adjustment. A copy of the completed form would be sent to the NAF payroll office to process the pay adjustment. The remark's column of

the form would be used to explain the reason for such increases. It should merely be a short narrative explaining the "why" of the adjustment. Local activities may establish their own administrative and/or control processes over such matters, but such processes, if established, should be management initiated and controlled.

f. Performance and Awards. Local activities may establish awards programs, and performance awards may be given to NAF employees in place of pay adjustments whenever management deems it best. The employee need not be formally reevaluated. The granting of awards should be as close as possible to the actual event, or performance that called for the award, otherwise the biggest part of the "recognition" and "motivation" factor of such awards has been lost.

220. Training and Development. The purpose of training is to improve the knowledge, skills, and abilities of employees in order that patrons of the activity may be assured of quality service, and to ensure maximum operational efficiency, economies, and a safe working environment. An appropriate training program will also provide employees with opportunities for continuous personal development.

a. Responsibility for Training. The NAFI program director will provide continuous training opportunities for all employees. However, training is the responsibility of management at all levels of the organization.

(1) Indoctrination Program. Indoctrination is the training on policies and regulations affecting the employee's job, as well as imparting general information which the manager has determined to be mutually helpful to the employee and the activity. First-line supervisors are responsible for job induction for new employees in all employment categories. Orientation should be accomplished within a reasonable period after the new employee reports for duty.

(2) On the Job. Most training will be given on the job, where an employee is first instructed through telling and showing, and finally tried out and corrected in actual work performance. Close supervision is necessary to determine further training, or what other action might be required. Training may be accomplished, within the work schedule, by individual or group instruction. Audiovisual aids may be used to supplement instruction, but not as a substitute for actual training.

(3) Formal. Employees will be informed of available formal training courses, and selections for such training will be made in an equitable manner among all qualified employees.

(a) Formal instruction in recreation, food and beverage, and entertainment management and procedures, is conducted by BUPERS (Pers-654).

(b) Formal instruction in bookkeeping, auditing procedures, and personnel management, is also conducted periodically on a regional basis.

(c) Initial instruction and subsequent annual refresher training in food sanitation will be given to all food services supervisory personnel, and all food service workers employed in food service operations, to include civilian cafeterias per SECNAVINST 4061.1B.

(4) Professional Development

(a) Executive employees may join professional organizations and associations and participate in their training programs. When approved by the commanding officer, the cost of this training and related expenses may be paid with NAF from the employing NAFI. Individual membership fees in professional organizations are a personal expense and may not be paid from NAF. However, an official membership can be paid with NAF and must be in the NAFI's name. In an official capacity, NAF employees may only act as liaison (i.e., a non-voting and non-decision-making role) to non-Federal entities. Non-Federal entities include organizations like the IMCEA, NRPA, AFRS, and CISM with which NAF employees have had longstanding working relationships. Requests to serve in a liaison capacity must be approved in writing by the command Ethics Advisor. However, NAF employees may participate in the management of a non-Federal entity (e.g., president, vice president, board member, etc.) only if it is done on personal time, at personal expense, and in a personal (vice organizational) capacity. A NAF employee cannot take on a mixed role of serving as liaison, and also serve in a management capacity for a non-Federal entity.

(b) The OPM offers various seminars and institutes which deal with a number of aspects of personnel administration. Executive employees should be encouraged to apply for these seminars when available. Activities expecting to negotiate agreements with labor organizations should encourage their personnel to attend labor relations seminars.

(5) Reimbursement for Training. Managers of NAFIs may reimburse regular non-probationary NAF employees for the tuition and examination fee costs of approved educational courses taken during off-duty hours of current employment. To be eligible for reimbursement, the employee must actually attend the course at an approved institution, and successfully complete the course. In addition, the course must be directly related to the functioning of the NAFI in which employed. Books, supplies, fees for registration, labs, student activities, parking, etc., are not reimbursable under this program.

This program includes correspondence courses. Activities may add the requirement that employees must stay within the NAFI for a period of time.

(6) Record of Training. Training received, including food handling in the case of individual employees, will be made a matter of record for all NAF employees. On-the-job training will also be made a matter of record, to include the specific types of training completed, the length of time involved, and actual hours or days, including dates. All records of training will be maintained in personnel files following the procedures set forth in paragraph 222 of this manual. NAVPERS 5300/16, Cumulative Record of Training, should be utilized and maintained as a permanent part of the employee's OPF.

221. Resignation

a. An employee who plans to resign is expected to give a minimum of 2 weeks written advance notice to management, unless mutually agreed to by the employee and management.

b. Employing personnel offices will ensure that an employee does not experience a break in service when moving, or transferring between NAFI organizations, and when moving from a NAF position to an APF position. Such avoidance of breaks in service is necessary if employees are to be extended entitlements under the portability legislation that prohibits such entitlements in instances where more than a 3-day break in service has occurred, or under the DOD/OPM Interchange Agreement that prohibits its use when 1 or more days break in service occurs. To ensure that NAF employees are afforded necessary protection, the following procedures will be applied by servicing NAF personnel offices:

(1) The losing personnel office will contact the gaining personnel office to work out an agreeable "drop" date and "pick up" date assuring that no break in service takes place.

(2) The normal drop date will occur on a Saturday (need not be a work day). Correspondingly, the pick up date will normally be a Sunday. (Again, this day need not be a work day.) These 2 days, Saturday and Sunday, are normally the beginning and end of an administrative work week. Irrespective of what days are used, servicing personnel offices are responsible for ensuring that no break in service, (i.e., 1 or more calendar days), takes place when a NAF employee moves to a NAF position in another organization, or during a move from NAF to an APF position.

(3) Once an employee submits a written resignation (signed part E of Request for Personnel Action (SF-52) or similar notification), such resignation may not be rescinded by the employee without management approval.

222. Position Qualification Requirements

a. General. Establishment of realistic qualification standards and requirements for any NAF position is a management responsibility. Such qualifications must be based on factual job requirements. These qualifications shall be written so that competition for the job is not restricted to any one individual. The qualifications of each applicant shall be carefully reviewed and evaluated. The basic and simple principle is to find the best qualified person for the job to be filled. Once qualification requirements are determined for a position and placed in an appropriate position announcement, changes to those qualification requirements from that point of time until a selection is made are not allowed. Instead, if management decides to change processes, the announcement must be negated, and a new announcement prepared and advertised with the revised qualifications.

b. Candidates must be formally evaluated against the knowledge, skills, abilities, and personal characteristics (KSAP's) determined to be important to the position being filled. These KSAP's must be identified through job/task analysis process and documentation of this analysis must be retained.

c. Use of Education in Qualification Requirements. Education cannot be used as a screen-in, screen out, or basic qualifier for any position unless such requirement has also been designated by the OPM for similar positions in the Federal service. Example: Child Development Specialist NF-1701-04, and Curriculum Specialist NF-1701-03. Such positions carry a positive education requirement on the Federal side of the house, hence, a degree requirement for similar NAF pay banding positions is also necessary. In all other cases where management chooses to use education as a requirement in qualifications for any given position, a second or alternate means of meeting qualifications must also be provided for applicants. For example, a position might require a degree or substitution of specified experience in terms of level and length of such experience. The degree requirement cannot stand on its own.

223. Approval and Recruitment for NAF Positions

a. Heads of NAFIs are considered selecting officials and may approve recruitment and selection of positions under their cognizance.

b. In order that the most suitable and qualified persons are employed by NAFIs at all levels, heads of NAFIs will ensure that established recruiting procedures are followed.

c. All position announcements will address the subject of relocation costs.

d. Heads of NAFIs will require adherence to the terms advertised in job announcements, including area of consideration and mandatory qualifications. The announcement will also describe the proper role of preferred, but not mandatory, qualification requirements used in the selection process.

224. Advertising Against Projected Vacancies. While management has always had the authority to advertise against projected vacancies, the pay banding system has added a feature that makes this approach a useful tool. The key to this approach is that management may fill positions in a pay band, with incumbents of that same pay band, on a noncompetitive basis. The following provides an example of this scenario:

Example

Management has studied its turnover rates and determines that within the next 6 months, they will have the following vacancies:

<u>Job Titles</u>	<u>Pay Band</u>
Recreation Specialist-Physical Fitness	4
Recreation Specialist-Youth Activities	4
Recreation Specialist-ITT	4
Assistant Club Manager	4

a. With this projected turnover, management could place one (or more announcements) showing all projected vacancies, and restrict the area of consideration to: "All Navy MWR activities in the organization's commuting area." The area of consideration could be further refined by making it "Navy employees in a pay band (an appropriate band) in the commuting area of the Navy activity," i.e., making it a noncompetitive announcement.

b. The announcement would state that it was lead time recruitment against projected vacancies. Management would require an SF-171, a recent personnel action showing current salary, and a recent evaluation from interested applicants.

c. As vacancy dates become known, management can review applications and evaluations to determine the best qualified applicants. Noncompetitive selections could then be made. The flexibility in being authorized to select incumbents of a pay band on a noncompetitive basis allows management some discretion in filling vacancies rapidly, and also allows management to fill vacancies with little or no job time vacancy.

225. Employee Records and Files. The following procedures will be utilized in maintaining NAF employee records and files:

a. SF-52, Request for Personnel Action. This form is to be prepared for all personnel actions (i.e., recruitment, employment, promotion, termination, etc.) which require specific approval of the head of the NAFI, the head of the next level of command and/or commanding officer.

b. Personnel Actions. Any actions affecting NAF personnel such as initial employment, change of a name, marital status, pay change, promotion, reassignment, training, and other appropriate personnel actions, will be recorded on the NAVPERS 5314/2, Personnel Action Report (PAR).

c. Social Security Number (SSN). Disclosure of the SSN is mandatory to obtain the services, benefits, or processes an applicant is seeking. It is used as an identifier throughout the applicant's NAF career.

d. Employee Check-in List. A check-in list must be used for all new employees to ensure prescribed personnel actions are completed. The completed list is to be filed in the employee's OPF. Figure 2-1 provides an example of an Employee Check-In List (NAVPERS NAF-MFF).

e. File Maintenance

(1) Maintenance of employee records must conform to the provisions of SECNAVINST 5211.5C concerning the Privacy Act of 1974. The Privacy Act Statement for NAF applicants is as follows:

"Authority to request this information is derived from 5 USC 301, Departmental Regulations. The purpose of this information is to determine the qualifications, suitability, and availability of applicants for employment with a NAFI, and of current employees for reassignment, reinstatement, transfer, or promotion. The information will be used to assess qualifications, entitlement, and overall employment suitability. Completion of information on this form is voluntary. Failure to provide this information may prevent you from receiving full consideration for the position you seek."

f. Personnel Folders. Per requirements of the National Personnel Record Center, a suitable folder no larger than 9½ by 11 3/4 inches will be utilized as a personnel file for each employee. If available, the OPF currently utilized by APF civilian personnel offices is ideally suited for this purpose. The tab insert will be plainly marked and contain the following items:

(1) The employee's name, flush with the upper left top margins, last name first, then a given name, followed by the first initial of the middle name (if any), and then SR, JR., or numerals of name, if appropriate.

(2) To the right of the name, insert the date of birth expressed as month, day, and year in six numerals (e.g., 01-20-71).

(3) Enter the employee's SSN under and flush with the last name. The SSN must be entered for all U.S. citizens, and for all foreign nationals employed in the U.S., its territories and possessions. For local and third country nationals employed in foreign areas, enter the letters "LNO" under and flush with the last name. Oversized documents will be folded so as not to extend beyond the edges of the folder.

(4) Personnel files will be maintained alphabetically for both active and inactive categories of personnel and stored in locked metal cabinets. The active personnel records are to be segregated from the inactive records.

(5) Each personnel file will contain all the essential information concerning the employee. Government forms will be utilized. If a government form does not exist for the purpose desired, a locally originated form may be used.

(6) The following applicable permanent records will be maintained on the right side of the personnel folder in chronological order:

(a) Application for Employment. An appropriate application, or resume, may be used by applicants for NAF positions. The applicant should indicate that the application is for a NAF position. In addition, if applicable, a statement concerning naturalization, application for waiver of the 180-day restriction on employment of military personnel subsequent to retirement, and the approval letter from BUPERS (Pers-65), will be filed with the application.

(b) NAF Personnel Actions. NAVPERS 5314/2, Personnel Action Report.

(c) Security Clearance. Certificates of Clearance, Personnel Security Investigation, Clearance, and Access.

(d) Medical Certification. Medical certificate, or statement, as to the employee's physical fitness for employment, or other periodic statements as to physical fitness. (This record may be maintained in the OPF, or a separate file).

(e) Employees Withholding Exemption Certificates. The original U.S. Treasury Department (Internal Revenue Service) Form W-4, and the respective state or territory form will be forwarded to payroll office. A copy will be placed in the OPF.

(f) Benefits Enrollment. A copy of the NAF Group Benefits Enrollment Form designating the type of coverage elected, or non-participation in the plan.

(g) Retirement Plan. A copy of the application for participation in the retirement plan, or an employee's refusal card.

(h) Evaluations. Performance Appraisal Forms.

(i) Cumulative Record of Training. Certificates, letters and records of training, both formal and informal (including on-the-job training), will be utilized to record all training.

(j) Military Orders. Certified copy of completed military orders for any annual active duty tours with reserve components.

(k) Discipline. Letters of Reprimand, and records of disciplinary action only. All other documents are to be filed separately.

(l) Miscellaneous Material. Copies of commendations and other correspondence, grievances or appeals documentation, letters of resignation or notice of termination, correspondence or documents relating to unemployment compensation, SF-8, "Notice to Federal Employees about Unemployment Insurance" on termination, initial workers' compensation claim, disability claims and retirement requests.

(7) Check-in/check-out sheets, employees' signed statement acknowledging receipt of tools, uniforms, ID pass or gate pass, a car decal, etc., relating to an individual will be filed on the left side of the personnel folder.

(8) When an employee has been placed in a leave-without-pay status for the purpose of entering the Armed Forces of the U.S., it is mandatory for the NAFI to facilitate restoration and preserve reemployment rights granted in law. The OPF of such employees will be placed in proper order and filed with proper identification in the active personnel file, along with updated leave and pay records. Upon determination that the individual will not seek, or is not eligible for restoration, the records will be placed in the inactive file.

(9) Transfer of Employee's Record. The OPF of employees transferred or terminating employment, and being reemployed by another NAFI, will be

forwarded to the new employing activity within 5 calendar days after receipt of notification from the new employer of the address to which record is to be sent. All extraneous matter will be removed from the OPF prior to forwarding. The record should be forwarded via U.S. mail, certified with return receipt requested to the new employing NAFI, or hand carried.

(10) Personnel Records Disposition. On termination, the record of the employee concerned will be placed in the inactive file and retired. The following will be observed in preparing folders for shipment:

(a) The date of separation on the tab (e.g., terminated 12-20-96) under the name and ten spaces to the right of the completed SSN.

(b) All material on the right side will be reviewed to ensure that it is of a permanent nature, and that termination and other permanent papers are included and fastened securely.

(c) With the exception of the leave record, which will then be placed on the right side of the personnel folder, all other material on the left side of the folder will be reviewed. If permanent in nature, it will be placed on the right side; if temporary in nature, it will be removed, placed in the general files, if appropriate, or destroyed.

(d) The face of each OPF must be marked or stamped, in bold letters, with the words "NONAPPROPRIATED FUND" to ensure proper handling, and forwarded by mail to the National Personnel Records Center, (Civilian Personnel Records), 111 Winnebago Street, St. Louis, MO 63118-1528. Additional directions for NAF records disposition is contained in chapter 15 of this manual.

(11) Reemployment. On reemployment, depending on length of separation in excess of 12 months, the individual's OPF will be requested on NAVPERS 5300/14, Request for NAF Personnel Folder, from the National Personnel Record Center (NRPCC)(send request in duplicate) or former NAFI Employer, as appropriate. The request will contain: Item 1, date of request; item 2, full name of the employee; item 3, date of birth; item 4, SSN and address "National Personnel Records Center (Civilian Personnel Records), 111 Winnebago Street, St. Louis, MO 63118-1528"; item 5, name of last place of employment, location, from and to; item 6, remarks (any other information which will assist in identifying the individual); and section III, the originator's return address.

(a) Should the results of a request to the National Personnel Records Center for the personnel record be negative, further inquiry should be addressed to the former NAF employer on NAVPERS 5300/14. This procedure should be reversed if initial inquiry to the former employer is negative. If

BUPERSINST 5300.10
3 Dec 97

the former employer advises that the OPF was forwarded to the National Personnel Records Center, full information concerning this action should be provided to the inquirer, including the date on which the personnel record was mailed.

(b) In the event NRPC, or the former employing NAFI, cannot provide the OPF, the individual employee is responsible for producing acceptable proof of employment with a previous NAFI, i.e., W-2s, copy of PARs, payroll information, etc.

EXAMPLE
Employee Check-In List

NEW EMPLOYEE INDOCTRINATION CHECK LIST		
Employee's Name:	Suspense Date:	
Department/Branch:	Date employed:	
Job Title:	Grade:	
Classification:	Position:	
INSTRUCTIONS: First-line supervisors are responsible for job induction for new employees in all employment categories. This process should be accomplished within five working days after the new employee reports for duty. Return completed form to the Personnel Office no later than the suspense date shown above.		
ORIENTATION ITEMS	YES	NA
1. Explain Mission of the NAFI.		
2. Explain employee's duties, responsibilities and employment category.		
3. Explain hours of work, time recording and meal periods.		
4. Explain hours and deductions. When is pay day? Where will check be available? Is direct deposit available?		
5. Explain overtime regulations in detail.		
6. Explain security rules, ID badges, name tags, etc.		
7. Explain all types of leave and eligibility.		
8. Explain allowances (commutations, LQA, Language, Post, etc.).		
9. Equal Opportunity Process and Policy.		
10. Employee Relations (Grievances, Appeals, etc.).		
11. Explain Safety Rules/Fire Prevention.		
12. Explain appraisals, promotions, awards, etc.		
13. Bulletin Board.		
14. Employee Privileges (use of NAFI facilities, etc.).		
15. Physical examinations.		
16. Standards of Conduct.		
17. Employee Benefits (Insurance, retirement, etc.).		
18. Probationary Period.		
19. Resignations.		
20. Reasons for Termination.		
21. Training Opportunities.		
22. Telephone usage.		
23. Local facilities (eating, banking, parking, etc.).		
24. Uniforms - Maintenance of - What happens to when employee leaves.		
25. Introduce employee to co-workers.		
(DATE AND SIGNATURES OF SUPERVISOR AND EMPLOYEE)		

NAVPERS NAF-MFF

Figure 2-1

CHAPTER 3

NAF PERSONNEL PAY BAND SYSTEM

301. Policy. The payband system is designed to help managers establish competitive wages, strengthen the link between pay and performance, and provide an efficient classification and pay process. It replaces the traditional grade and step system with one that groups work of similar characteristics into bands. It assigns a pay range to each band, and with few limitations, permits pay to be set within the range.

302. Applicability. The provisions of this chapter apply to all U.S. citizens or bona fide U.S. resident alien NAF employees, including off-duty, military personnel, except employees covered under the Federal Wage System, (i.e., incumbents of NA, NL, and NS positions), incumbents of positions under the Navy child care pay band system, (i.e., GSE positions), and Navy NAF MWR positions in Panama.

303. The Federal Wage System. The system includes all crafts and trades positions and uses the following pay plan codes: NA for nonsupervisory positions, NL for leader positions, and NS for supervisory positions. The OPM's Operating Manual for NAF Wage System, augmented by Appendix A of this manual, contains detailed procedural instructions for the administration and operation of the FWS.

304. Pay Banding - General

a. All AS, PS, and UA positions, previously classified by BUPERS (Pers-653) and distributed to the field as "standardized position and/or job descriptions", have been placed into one of the six following Pay Bands:

<u>Nonappropriated Fund Pay Band (NF)</u>	<u>Previous Grade Coverage</u>
NF 1	AS/PS 1-4
NF 2	AS/PS 5-6
NF 3	AS/PS 7 AND UA 5 thru 9
NF 4	UA 9 thru UA 12
NF 5	UA 13 thru UA 15
NF 6	UA 16 thru UA 18 and SES Equivalents

305. Pay Band System. The pay band system is designed to establish competitive wages, strengthen the linkage between pay and performance, and provide an efficient classification and pay process. It replaces the AS, PS, and UA systems. In movement to a pay banding position, the rate of pay may be set at any rate within the assigned pay range. It specifies a pay range for each band and enables pay to be fixed within the range of applicable wage areas.

306. Structure. The structure of the pay band is shown in figure 3-1. For each band or level, the figure shows the generic work level, pay category, grades replaced, comparable GS grades, and examples of jobs covered.

307. Special Instruction. Establishment or appointment to an NF-6 position requires approval by the ASN (M&RA). Establishment, reclassification, or promotion to an NF-5 position requires the approval of BUPERS (Pers-65), and must be forwarded via the chain of command.

308. Pay Schedules. The Wage Setting Division (WSD), DOD Civilian Personnel Management Service, determines rates of pay for employees paid from NAFIs and communicates directly with activities concerning any matter where a mutual interest or responsibility exists. The WSD issues pay band schedules. These schedules establish the minimum and maximum pay rates for each pay band in accordance with the following policy:

a. Minimum/Maximum for Bands NF-1 & 2 and Minimum for Band NF-3. These rates are determined by a DOD wage survey of employees in a representative number of retail, wholesale, recreation, finance, and insurance establishments, in the immediate locality who are engaged in activities similar to those in NAFIs. WSD issues separate pay schedules for each geographical area surveyed. The effective dates of schedules vary depending on the survey dates. To aid pay setting decisions, a WSD-developed pay report is attached to each schedule. It contains the average hourly rate of pay, and the range of pay from high to low for certain surveyed jobs.

b. Maximum for Band NF-3 and Minimum/Maximum for Bands NF-4 through NF-6. Minimum rates in effect on 1 January 1995 will serve as a basis for future adjustments to minimum rates. Beginning January 1996, the minimum rates for NF-4 through NF-6 are adjusted by a percentage equal to any "national" Employment Cost Index (ECI) percentage increase for GS employees, rounded down to the nearest \$500.

309. Locality Pay. Installation commanders are authorized to implement a NAF locality pay system similar to the one approved for GS employees. The decision as to whether or not to implement NAF locality pay for MWR NAF employees is a local command option.

a. Locality pay is treated as basic pay for purposes of retirement and life insurance benefits; premium and overtime pay; and lump sum payments for unused annual leave. Locality pay is not considered part of basic pay for any other pay administration purposes, e.g., in setting pay for promotion actions, base pay is used in determination of a new rate of pay upon promotion. Once the new pay rate is determined, the locality pay rate would then be added, if authorized.

b. Locality pay applies only in the continental U.S.

c. Locality pay does not apply to AS, PS, Crafts and Trade (NA, NL, NS), or pay bands NF-1 and NF-2 employees. Adjustments in their rates and pay ranges are made in accordance with DOD established prevailing rate rules.

d. Application of the locality increase may not bring the employee's salary beyond the top of his or her assigned pay band.

e. Installation commanders may grant or withhold locality pay increases for their pay band NF-3 through NF-5 employees. However, such decisions must be applied uniformly to all pay band NF-3 through NF-5 employees in the activity. If installation commanders decide to grant something less than the authorized locality increase, such increases will be treated as normal pay adjustments, rather than locality pay increases.

f. UA employees covered under negotiated union agreements (i.e., those filling bargaining unit positions) must be provided the locality increase.

g. PARS forms effecting locality increases will use the "remarks" column of the form to provide a breakdown of the adjusted salary (e.g., amount of base pay and a separate amount showing locality pay increase). This breakdown may be needed in determining possible future pay actions.

310. Pay Setting

a. General

(1) Except for special pay setting situations stated in paragraph b. below, the heads of NAFI's may determine where, within the minimum and maximum rates of the proper band, to set an employee's annual rate of basic pay. In setting an employee's rate of basic pay, consideration should be given, but not necessarily limited to, such factors as assigned duties and responsibilities; performance; budget; competitiveness with Federal and private sector pay; current rates of pay for similar positions; and the amount and timing of previous pay increases, cash awards, bonuses, and allowances.

The installation commander is the authority for setting the pay for the NAF program director.

(2) Echelon II commands may establish additional limitations on pay setting for activities under their cognizance if they deem it necessary.

(3) The term "base pay," as used in this manual, means the annual rate of pay for the employee, including any portion that may be attributed to comparability with private sector pay in a locality, before any deductions and exclusive of additional pay of any kind. Base pay, which includes basic and locality pay, may not exceed the maximum rate for the employee's pay band. The hourly rate of basic pay is determined by dividing the annual rate by 2087.

b. Special Pay Setting Situations

(1) Fair Labor Standards Act (FLSA) Minimum Wage Requirement. The minimum rate paid may not be less than the current Federal minimum wage, or the applicable state or municipal wage, whichever is higher.

(2) Transfer of Function. When a function is transferred from one NAFI to another within or between components, pay for employees who move with their positions will be set at a rate within the band that is not less than the employee's rate of basic pay immediately before the move. As an exception to this provision, where a portion of the pay is clearly defined as a locality adjustment, the locality pay adjustment need not be continued when the employee moves to an area with a lower locality pay adjustment. Future rates of pay will be in accordance with the receiving NAFI's policies and compensation programs consistent with the requirements of this manual.

(3) Involuntary Moves to NAF under the DOD Employee Benefit Portability Program. When a GS employee is involuntarily moved to a NAF pay band position, the employee's basic rate of pay will be set at a rate within the pay band to which assigned that is not less than the employee's GS scheduled annual rate of pay, as defined in Title 5, CFR 531.602, plus the corresponding GS locality differential. Future rates of pay will be in accordance with this manual. If the employee's last GS scheduled annual rate of pay, plus the GS locality differential, is above the maximum rate of the pay band level to which moved, pay retention is required as follows:

(a) The employee must have served for 1 continuous year immediately before the change in one or more positions at a rate of pay higher than the maximum rate of the pay band to which assigned.

(b) The retained rate will be the lesser of the rate of pay immediately before the change, or 150 percent of the maximum rate of the pay band to which assigned.

(c) Pay is retained under this policy for a period of 2 years, unless it is determined earlier by a break in service, or a change to a lower pay level at the employee's request.

(d) During the 2-year period, the employee will receive all pay increases granted to the applicable pay band.

(e) At the expiration of the 2-year period, pay will be adjusted to any amount within the pay band consistent with assigned duties and responsibilities.

c. Pay Increase. An employee may be granted a pay increase within a band, with or without a position change. However, in no case will individual pay increases exceed 15 percent per year. A promotion occurs, except for temporary details, when an employee is moved to a higher band. A promotion requires a minimum pay increase of 5 percent of basic pay, or an increase to the minimum rate of the higher band, whichever is greater (the 15 percent pay increase limitation does not apply to promotions). A pay increase can also be granted upon temporary detail or reassignment.

d. Pay Decrease. An employee's pay may be decreased within the band for the following reasons: change in duty station to a locality pay area with a lower locality rate of pay; business-based action, performance-based action, or disciplinary action; classification effort; or an employee requested job reassignment. A detail is not a basis for a pay decrease. When an employee is moved to a lower band involuntarily, it is a demotion.

e. Annual Across-the-Board Adjustments. These adjustments are not required, but may be granted by the installation commander not to exceed the limits described in paragraphs (1) through (4) below. When the minimum rate for the band is raised in accordance with paragraph 309 above, employees at the bottom of the band, who are rated at least satisfactory or equivalent, must be given a pay increase to keep their rate of pay within the pay range of the band.

(1) Employees in Bands NF-1 and 2. The adjustment will not exceed the average percentage adjustment stated on the pay report attached to the current pay schedule. It will not be granted if both the Economic Consumer Index adjustment and the locality adjustment are canceled for APF employees.

(2) Employees in Bands NF-3 through 5, and NF-6. The adjustment will not exceed the respective percentage adjustment granted to corresponding APF GS and SES employees.

(3) Employees at or Near the Top of a Band. The employee's base pay may not exceed the maximum rate for the employee's band.

(4) Employees in a Less than Satisfactory or Equivalent Status. Such employees are ineligible for a pay increase unless their pay would fall below the minimum wage set by the FLSA. This means that, in some cases, their pay may fall below the minimum rate of the band. Management may provide a maximum of 3 months to improve such employees' performance, or take other appropriate personnel action. (See 309.b(1)).

311. Training Wage. The payment of a rate below the minimum rate of pay band NF-1 is authorized for initial employment of untrained employees entering at pay band NF-1. The rate of pay selected cannot be lower than the applicable minimum wage and may be paid for a maximum of 3 months at which time the employee, if still employed, will be moved to a rate of pay within the pay band.

312. Pay Adjustment for Supervisors. The head of the NAFI may adjust the rate of pay of an NF supervisor to any rate of his or her pay band that exceeds the highest FWS employee being supervised. Before an adjustment may be made, the head of the NAFI will determine that:

a. The supervisor's regular responsibilities include supervision over the technical aspects of the work of one or more FWS employee.

b. The supervisor's rate of pay is less than the scheduled rate of the highest paid FWS employee.

c. In comparing the scheduled rate of pay for an NF supervisor, with the rate of pay for an FWS employee supervised, the head of the NAFI will exclude from the FWS employee's rate any irregular prevailing rate, such as a retained rate or night shift differential.

313. Determination of Exempt or Non-Exempt Status. The provisions of the FLSA, as implemented by the OPM, are applicable; therefore, all NAF positions must be designated as either "exempt" or "nonexempt." Paragraph 314b (1) and (2), below, details applicability and exemption criteria. The general rules relative to such designations are as follows:

a. Classification levels NF-1 and NF-2 consist exclusively of nonexempt positions.

b. Classification levels NF-3 and NF-4 may consist of both exempt and nonexempt positions, depending on the characteristics of the individual positions.

c. Classification levels NF-5 and NF-6 consist exclusively of exempt positions.

d. Positions in overseas foreign areas are all treated as exempt, as the provisions of FLSA do not apply in those areas.

314. Premium Pay

a. Overtime. NAFIs must adopt a pay policy which will be in writing and posted on bulletin boards.

b. Pay Band Employees. NAF employees under pay banding, and the GSE schedule employees, will be covered by the FLSA in determining conditions which must be met before overtime compensation rates are paid. As a primary condition, FLSA requires that 40 hours per week be actually worked before overtime rates begin. In determining actual hours worked, paid absences (e.g., holidays, annual and sick leave, administrative leave, military leave, court leave, etc.) are not considered actual hours worked and, consequently, are not credited toward meeting the 40-hour threshold for overtime compensation.

c. Employees in Areas Covered by the FLSA

(1) Nonexempt employees. Employees identified as nonexempt will be paid overtime for hours in excess of 40 hours per week. The doctrine of overtime hours "suffered or permitted" to be worked by the employee applies to nonexempt employees. Only hours of work are counted toward the 40 hours in a workweek. Periods of paid leave, or holiday leave, are not included. If work is performed, whether authorized in advance or not, compensation at 1 ½ times, the basic rate must be paid. Compensatory time off for nonexempt employees is not authorized, except in conformance with paragraph 314c(3) below.

(2) Exempt Employees. Exempt employees may not be paid overtime, or given compensatory time off for work in excess of 40 hours in an administrative workweek, unless the overtime or compensatory time off is specifically ordered and approved, in writing, in advance. In certain unusual instances, the authorizing supervisor may approve overtime worked by an exempt employee after the fact. The doctrine of overtime hours "suffered or permitted" does not apply. An exempt employee is not normally entitled to receive overtime pay or compensatory time off. However, if command NAF policy

for NAF employees authorizes either overtime pay or compensatory time off, it will be administered as follows:

(a) When an employee's basic rate of pay does not exceed the rate for grade GS-10, step 1, the overtime rate is 1 ½ times the employee's hourly rate of basic pay.

(b) When an employee's basic rate of pay exceeds the rate for grade GS-10, step 1, the overtime rate is 1 ½ times the rate payable for grade GS-10, step 1.

(c) Compensatory time off may be granted to an exempt employee at the discretion of management. The amount of compensatory time off that may be granted will be equal to the time spent in overtime work, i.e., 1 hour of compensatory time off will be granted for each hour of work in excess of 40 hours. Management may require that an exempt employee in classification level NF-4 and above be given only compensatory time off. Management may also limit the amount of compensatory time an exempt employee may accumulate. No exempt employee will be permitted to accumulate more than 80 hours of compensatory time. Compensatory time should be used within a reasonable period of time, not to exceed 26 weeks.

(3) Notwithstanding the prohibition against the use of compensatory time off for nonexempt employees, under the provisions of Title 5, USC, 5550a, an employee may elect to work compensatory overtime for the purpose of taking time off without charge to leave when religious beliefs require that the employee abstain from work during certain periods of the workday, or workweek. Under this law, any employee who elects to work compensatory overtime for this purpose will be granted, in lieu of overtime pay, an equal amount of compensatory time off. However, an employee's election to work compensatory overtime may be disapproved by management if such a modification in a work schedule would interfere with the efficient operation of the NAFI.

d. Night Shift Differential. Night shift differential is optional only for NF employees, and may be paid when management determines that such differential is the prevailing practice in the local wage area, and that such pay is necessary for recruitment and retention purposes. If night shift differential is paid, it will be at the rate of 10 percent of the employee's basic rate for hours of nonovertime work performed between the hours of 1800 and 0600. Payment of night differential continues during periods of paid leave and official travel. Night differential may be authorized for all categories of employees.

e. Holiday Pay

(1) Regular full-time or regular part-time employees who work at least 5 days per week and are excused from work on a holiday are entitled to the basic rate of pay, if the holiday falls on a day they are normally scheduled to work. Pay is equal to the number of hours the employee would have worked had the day not been a holiday.

(2) Holiday pay is optional for NF flexible employees who are regularly scheduled to work at least 5 days per week, have been employed for at least 90 days, and are excused from work on a holiday, are entitled to the basic rate of pay, if the holiday falls on a day they are normally scheduled to work. Pay is equal to the number of hours the employee would have worked had the day not been a holiday. If the employee works on the holiday, the employee is entitled to receive holiday premium pay for the number of hours regularly scheduled, plus regular pay for the number of hours worked on the holiday.

(3) Flexible employees without a regular schedule (on-call) do not receive holiday premium pay. If scheduled to work on a holiday, they will receive regular pay for the number of hours worked.

(4) Legal holidays include the 1st of January, the 3rd Monday of January, the 3rd Monday of February, the last Monday of May, the 4th day of July, the 1st Monday of September, the 2nd Monday of October, the 11th day of November, the 4th Thursday of November, the 25th of December, Inauguration Day (only for employees working in the Washington, DC, Metropolitan area as explained in the rules for APF employees), or any other calendar day designated as a holiday by Federal statute or executive order.

f. Sunday Premium

(1) Sunday premium pay is optional for NF employees, and may be authorized when management determines that such pay is necessary for recruitment and retention purposes. When authorized, Sunday premium pay will be paid at the rate of 25 percent of basic rate for all hours of a nonovertime tour of duty, when any part of the scheduled tour is performed on Sunday. Only regular full-time employees, regularly scheduled to work 40 hours per week, may be paid Sunday premium pay. Sunday pay will be paid only for regularly scheduled hours worked on a Sunday. Appendix A provides examples of a Saturday/Sunday split shift.

(2) Sunday premium pay is in addition to premium pay for holiday work, overtime pay, or night shift differential, and is not included in the rate of basic pay used to compute the pay for holiday, overtime pay, or night shift differential.

315. Child Care Givers (CC) Pay System

a. General. The DOD Child Care giver pay system, while it has somewhat different rules of application, is part of the NAF pay band system. The system was established by the DOD to meet the requirements of the Military Child Care Act of 1989, and applies to all U.S. citizens, or bona fide U.S. resident alien NAF child care employees, irrespective of a category of employment.

b. Definitions

(1) CC - Child Care. The symbol used to identify the pay plan code.

(2) Full Performance or Target Level. The grade or level of the position that an employee is expected to attain once he or she has met required qualifications.

(3) GSE. A descriptive pay plan designation that identifies the positions with their "GS" counterpart.

(4) Highest Previous Rate. The provision that allows adjustment of an employee's pay upon re-employment, or other appropriate personnel action, based on pay previously earned.

(5) Pay Adjustment (in place). A noncompetitive pay increase based on recognized and sustained performance above the satisfactory level.

(6) Reassignment - Pay Adjustment. Increase in pay when the employee is moved noncompetitively from the entry to the intermediate level, or intermediate level to the full performance level.

(7) Pay Band. GSE employees fall under the pay band pay system, i.e., there are established pay bands with a wide pay range, and pay may be set at any amount within the pay band. GSE's fall under CC pay bands 1 and 2. Additional pay increases are performance related and are explained below:

(a) Overtime. All nonexempt employees are eligible for payment of overtime for hours worked in excess of 40 hours per week only. Holiday and leave hours are treated as hours of work in determining eligibility for overtime pay.

(b) Sunday Pay. No differential pay for Sunday work.

(c) Night Shift Differential. No night shift differential paid.

(d) Holiday Premium Pay. Only regular full and part-time employees receive double time for all hours worked on the holiday. Payment is limited to maximum of 8 hours per holiday.

(e) Holiday Pay. Regular full and part-time employees receive holidays off with pay, whether or not the holiday falls within their scheduled work week. If the holiday falls on an employee's normal day off, then they are entitled to an alternative day off with pay during the pay week in which the holiday falls.

c. Position Classification

(1) Standardized Position Descriptions (SPD) will be used for all NAF child care program employees. SPDs may be amended to reflect particular characteristics of care giver operations. The GS-1 grade level is not authorized, nor is there a GSE equivalent for GS-1. The full performance or target grade level for positions in Pay Band I is the Education Technician (Child Care), GSE-1702-4 position in Pay Band II.

(2) The following five positions are specifically authorized under the program:

- GSE-1702-2: Education Aid (Child Care)
(Entry Level)
- GSE-1702-3: Education Aid (Child Care)
(Intermediate Level)
- GSE-1702-4: Education Technician (Child Care)
(Full Performance Level)
- GSE-1702-5: Education Technician (Child Care)
- GSE-1702-5: Lead Education Technician (Child Care)

(3) Figure 3-2 display's charts with specific qualification requirements for GSE positions for Pay Bands I and II.

(4) Employees have the right to appeal the grade of their positions, but not the content of the Position Descriptions (PD). Appeals will be made through the command to BUPERS (Pers-653). Decisions of BUPERS (Pers-65) are final.

d. Pay Setting

(1) Pay Band CC-I, developmental band, consists of GSE-1702-2 Education Aid (Entry) and GSE-1702-3, Education Aid (Intermediate). Pay Band CC-II, Full Performance Band, consists of GSE-1702-4 Education Technician (Target Level), GSE-1702-5 Education Technician, and GSE-1702-5 Lead Education Technician.

(2) Band I (CC-I), has a minimum rate that is equal to the rate of GS-2, step 1, and a maximum rate equal to GS-3, step 10. Band II (CC-II), has a minimum rate equal to GS-4, step 1, and a maximum rate equal to GS-5, step 10.

(3) Minimum and maximum rates of pay prescribed by the OPM for the General Schedule (GS) apply to the pay band positions. DOD will issue the revised CC schedules when comparability rates are approved by Congress for the GS positions. Pay increases are mandatory only as necessary to prevent an employee's pay from falling below the minimum rate of the band.

(4) There are no step increases within the pay bands. Management may establish any rate within the appropriate pay band. These decisions should be based on factors such as difficulty in filling positions, qualifications of applicants, and employee performance.

(5) Pay adjustment actions within a pay band, because of a position change, are accomplished on a noncompetitive basis. In effecting such actions, employees must be given a 5 percent minimum increase. However, when an employee moves from Pay Band I as GSE-3 to a GSE-4 position in Pay Band II, the employee will be given a rate equal to the minimum rate of the new pay band, or a 5 percent increase, whichever is higher. Management may increase an employee's pay to any amount within the new pay band.

(6) Management may appoint qualified candidates at any rate within the Pay Band II range. A GSE-5 new hire may be paid a salary equal to the rate of a GS-4 or GS-5.

(7) Management must address the issue of "pay adjustment" at least once a year during the annual performance appraisal cycle. The decision to withhold a pay adjustment is not a grievable matter.

(8) When a DON child care employee leaves for another DON child care position, the following rules will apply:

(a) Promotion. An increase of at least 5 percent will be afforded the employee.

(b) Transfer. At the same GSE level, pay will be protected.

(c) Change to Lower Grade. When an employee accepts a voluntary change to lower grade (e.g., a GSE-5 employee accepts a GSE-4 position), his or her pay will be set in accordance with the highest previous rate rule.

(9) When a child care employee terminates, and is hired into a nonchild care position, the following rules will apply:

(a) Promotion. The pay setting policies of the pay system to which promoted will apply. However, promotion percentage applicable to both the NF and CC may be locally mandated to be a minimum of 5 percent, or any other percentage higher than the mandated minimums, if the command has the necessary funds and wants to do so.

(b) Same or Lower Grade. Pay can be set at any rate in the pay band that does not exceed the maximum rate for that pay band.

316. Allowances and Differentials

a. Foreign Areas. The payment of allowances and differentials to NAF employees will comply with DOD 1400.25-M, DOD Civilian Personnel Manual (CPM), Chapter 592, Overseas Allowances and Differentials. The delegations of authority restrictions provided in that chapter apply to NAF.

(b) Non-foreign Areas. A non-foreign area allowance, or differential, established for APF employees is not granted to employees in bands NF-1 and NF-2 as their rates already are based on the prevailing rate, but may be paid to employees in bands NF-3 through NF-6. The heads of NAFIs should strive for consistency in a geographical area, internally and among components.

317. Fair Labor Standards Act

a. Applicability. The provisions of the FLSA, as implemented by the OPM, are applicable to all NAF employees, including off-duty, military personnel, who are employed in geographical areas covered by the FLSA, as amended. The minimum rate to be paid employees covered by the FLSA may not be less than the current Federal minimum wage, or the applicable state or municipal wage, whichever is higher.

b. Coverage. Heads of NAFI's may exempt a NAF employee from the provisions of the FLSA, if the following criteria are met:

(1) Executive Exemption. The employee's primary duty consists of management or supervision. This primary duty requirement is met if the employee:

(a) Has authority to select or remove, advance in pay and promote, or make any other status changes of subordinate employees, or has authority to suggest and recommend such actions with particular consideration given to these suggestions and recommendations; and

(b) Customarily and regularly exercises discretion and independent judgment in such activities as work planning and assignment, direction, review, evaluation, and other aspects of management of subordinates, including personnel administration.

(c) In addition to the above criteria, employees properly classified in NS positions at the 7, 8, or 9 level, and NF employees properly classified at NF-3, must spend a minimum of 80 percent of their workday on supervisory duties.

(2) Administrative Exemption. An administrative employee is an advisor, assistant, or representative of management, a specialist in management, general business function, or support service, whose work meets all of the following criteria:

(a) Significantly affects the formulation or execution of management policies or programs; or

(b) Involves general management, business functions, or supporting services of substantially importance to the organization; or

(c) Involves substantial participation in the executive, or administrative functions of a management official.

(d) The employee performs office or other predominantly non-manual work which is intellectual and varies in nature, or of a specialized or technical nature that requires considerable special training, experience, and knowledge.

(e) The employee must frequently exercise discretion and independent judgement, under only general supervision, in performing the normal day-to-day work.

(3) Nonexempt NF Employees. The following NF employees do not meet the FLSA exemption criteria and are, therefore, nonexempt from the provisions of the FLSA:

(a) Nonsupervisory employees.

(b) Leader employees.

(c) Supervisory employees classified below NF-3

(d) Supervisory employees at NF-3 who perform work not directly related to their supervisory function more than 20 percent of the time.

(4) Exempt Supervisory Positions

(a) The following supervisory employees meet the FLSA criteria and, therefore, are exempt from the FLSA:

1 Supervisory employees at the NF-3 level, and NS7, 8, or 9 level, who perform supervisory and related duties 80 percent or more of the time, and who: (1) Assume responsibility for planning and accomplishing a continuing workload which meets the intent of the recognized organization unit requirements; (2) regularly exercise discretion and independent judgement in planning, directing, and controlling the work; and (3) are responsible for significant personnel management duties.

318. Dual Compensation. The provisions of Title 5, USC, 5531, 5532, and 5533 (Dual Compensation Act of 1964, P.L. 88-448), pertaining to dual pay and dual employment is applicable to NAF employees.

a. Dual Pay. Under the provisions of this law, a retired officer of any regular component of the Uniformed Services (Marine Corps, Navy, Army, Air Force, Coast Guard, Commissioned Corps of the U. S. Public Health Service, and National Oceanic and Atmospheric Administration) will receive the full salary of the civilian office which is held, but during a period for which they receive salary, their retirement will be reduced to an annual rate equal to the first \$9,570.85 (1994 figures, changes annually), subject to periodic cost of living increases, plus ½ of the remainder of their retirement pay, if any.

b. There are no deductions from the retired pay of retired reserve officers or retired enlisted personnel. Also exempt are regular officers retired for disability resulting from injury or disease received in the line of duty as a direct result of armed conflict, or caused by an instrumentality of war during a period of war. NAFI's employing retired regular officers of regular components of their Uniformed Services will report to the finance center of the service in which the officer holds retired status, the following types of personnel actions:

(1) Initial employment.

(2) Separations.

(3) Part-time or flexible employment requires a monthly report of the dates on which they actually worked.

BUPERSINST 5300.10
3 Dec 97

(4) All pay changes.

c. Reporting Requirements. All reports must include the name and address of the activity, name, SSN of the individual, effective date of employment and termination, and type of employment. The retired regular officer must also submit a report on the foregoing occasions on DD Form 1357, Statement of Employment (Regular Retired Officer), in accordance with the requirement of SECNAVINST 5370.2. Heads of NAFI's should send these reports to the appropriate finance centers listed below:

(1) For Navy, Marine Corps, Army, Air Force and NOAA retirees:

Defense Finance and Accounting Service
Cleveland Center
Attn: Code ROCAB
P. O. Box 99191
Cleveland, OH 44199-1126

(2) For Coast Guard retirees:

U.S. Coast Guard
Military Pay Center
Retired Pay Branch
6501 Lafayette Avenue
Riverdale, MD 20840

(3) For retirees of the Commissioned Corps of the U.S. Public Health Service:

Division of Commissioned Personnel
Office of Director
Room 4A15
5600 Fishers Lane
Rockville, MD 20857

d. Dual Employment. The Dual Compensation Act also states that civilian personnel will not be entitled to receive basic compensation from more than one civilian office, or position, with the Government of the U.S. (including NAFIs under the jurisdiction of the Armed Forces) for more than a total of 40 hours of work in any 1 calendar week. Figure 3-4 provides a sample letter which will be used to advise employees of this requirement. Generally, there is no restriction on the number of appointments which a person may hold, only upon the number of hours for which the person may be paid. An individual may be given more than one simultaneous part-time or intermittent appointment, or an employee on leave without pay may accept another Federal appointment, so long as pay is not received for more than 40 hours a week (unless the employee

is regularly paid for more than 40 hours a week under an authorized alternative work schedule), or from two sources for the same hours.

(1) This also applies to foreign nationals employed and paid by NAFIs in foreign countries. Prohibition is on receipt of basic compensation from more than one civilian office and does not affect the receipt of otherwise properly earned overtime compensation for work in one position in excess of the hours required.

(2) These provisions do not apply to compensation from more than one office for services rendered under emergency conditions relating to health, safety, protection of life or property, or national emergency. Examples of such conditions are fire, earthquake, flood or other disasters, civil disorder, or threat to the national security. An exception to the restrictions on dual employment require prior approval by BUPERS (Pers-65). In order to request an exception, information is required on the following points:

(a) To what extent is the base or activity isolated?

(b) At an overseas location, is the exception requested for both U.S. and non-U.S. citizen employees?

(c) Why normal staffing methods cannot be utilized.

(d) Extent to which off-duty, military personnel might be used.

(e) Extent to which dependents might be used.

(f) Any other information that would document the need for an exception.

(3) Section 1001 of Title 39, USC, permits an individual of the Postal Service to be paid concurrently as an employee of the Postal Service (other than as a member of the Board of Governors or of the Postal Rate Commission), and as an employee of any other Federal agency without regard to Title 5, USC, 5533.

319. Severance Pay

a. Procedures

(1) Employees who have completed at least 12 continuous months of service as a regular employee with one or more DOD NAFI, and who then are given a letter of separation involuntarily from employment because of a BBA, base deactivation, or reorganization will receive severance pay.

(2) Employees who elect to terminate their employment, or retire in lieu of accepting a demotion or reduction in pay due to a BBA, will receive severance pay.

(3) The amount of severance pay will be 1 week's basic pay for each year of continuous regular service with one or more DOD NAFIs up to 4 years of service, for a maximum of 4 weeks of pay. This pay will be based upon the number of hours regularly scheduled to be worked during a week and at the rate received immediately before separation.

(4) Time served as a regular employee with a NAFI, as well as time served on active duty with the U.S. Armed Forces that interrupted the civilian NAFI service, will be creditable for computing entitlement to severance pay.

(5) Periods of employment before separation that resulted in severance pay will not be considered in severance pay entitlement calculations for subsequent separations.

(6) Payment of severance pay, including the period of employment for which paid, will be documented on final personnel action forms and made a permanent part of the employee's OPF.

(7) If the function's employees are performing are contracted out, these employees(s) are entitled to severance pay, unless offered employment as specified in b.(4) below.

(8) Flexible employees with 3 or more years of continuous employment in any NAFI, whose category is changed from flexible to regular without a break in creditable service, will be eligible for severance pay, to include time employed as a flexible employee.

(9) Severance pay will be paid to employees no later than 4 weeks after separation.

b. Restrictions. Involuntarily separated employees will not receive severance pay if they:

(1) Are immediately employed in another regular NAF or GS position.

(2) Have refused an offer of employment without loss of pay, employment category, and seniority, in any NAFI or GS position in the same commuting area.

(3) Have immediately accepted employment in a continuing NAF or GS position.

(4) Immediately accepts employment, without loss of pay of 20 percent or more, with a contractor whose contract replaces the function, or services being performed by the employee.

c. Severance pay will not be paid to an employee eligible for an unreduced annuity.

320. Prohibition on use of Services Contracts. Services contracts may not be used to effect an appointment to a job that requires employing an individual on a continuing basis. Such positions will be graded and paid under the appropriate NAF pay schedule. Independent contractors do not qualify for NAF benefits coverage. NAFIs must include a benefits waiver clause in all contracts for outside help. Additionally, benefits coverage is not provided for private organizations, concessionaires, or any individual/organization not officially designated for being under the program management of a NAFI or BUPERS (Pers-65). For additional information concerning coverage under a Services Contract, refer to BUPERSINST 5890.1.

321. Payments for Services Contracts

a. Payments under services contracts must be paid on a fee basis only. A contract to which a salary or wage is attached is illegal. Fee payments which aggregate \$600 or more to anyone, other than a bona fide company or corporation during a calendar year, will be reported in the aggregate amount paid, and include the name, address, and SSN of the recipient of such payments.

b. If an individual, or group, enters into a services contract with a NAFI, it is the responsibility of the NAFI to report, on Distribution from Pension, Annuities, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, etc., (IRS Form 1099), the total of such contractual payments, if the combined total of the contract compensation was \$600 or more in the calendar year. NAF employees may not enter into any services contracts with the NAFI in which they are employed. However, they may enter into such contracts with other NAFIs provided there is no conflict with work in their employing NAFI.

322. Additional Compensation. No employee will be compensated wholly or in part by supplemental remuneration composed of fees and/or commissions. Fees for lessons given become the property of the NAFI. As an exception, up to 90 percent of fees may be paid to the golf professional as a commission provided the lessons are not conducted during the period of time for which he or she receives regular pay.

323. Awards

a. DON Honorary Awards. NAF employees are eligible for DON honorary awards such as the Distinguished Civilian Service Award; Superior Civilian

Service Award, and Meritorious Civilian Service Award. Criteria and procedures for DON honorary awards are specified in CPI 451.

b. NAF Incentive Awards Program. This program applies to all NAF personnel, including off-duty, military NAF employees. APF civilian employees are not eligible for this program.

(1) Purpose. The purpose of the Incentive Awards Program is to encourage improved performance of NAF employees which, in turn, improves the efficiency and economy of NAF operations. It is also designed to recognize and reward employees individually, or in groups, who perform special acts or services in the public interest in connection with their employment.

(2) Administrative Responsibility. Cognizant commanding officers are responsible for authorizing an Incentive Awards Program for NAF personnel of their respective MWR activities. Administration is normally handled by the head of the NAFI activity.

(3) Award Approval. Cognizant commanding officers have the basic authority to approve incentive awards within the guidelines of this instruction. This authority may be delegated to the head of the NAFI (MWR director/BQ manager, etc.) if a local procedure on awards has been established. To prevent any potential conflict of interest, awards for MWR or BQ managers must be approved by the cognizant local commanding officer.

(4) Incentive Award Types. An incentive award may be a cash award, or an honorary award, or both. This term covers any type of award granted under the NAF Incentives Award Program. These awards may be granted for suggestions, or special achievements, and may be based on intangible or tangible benefits resulting from employee actions.

(a) Honorary Award. An incentive award in the form of a plaque, certificate, letter, emblem, or pin. An honorary award may be made in recognition of continued distinguished service, a singular achievement, or and act of personal heroism. It may be granted independently of, or in addition to a cash award, but is not intended as a substitute for a monetary award.

(b) Suggestion Award. An award for an idea, submitted by an employee and adopted by management, that has the potential of improving operations in some way. NAF activities should establish local suggestion award programs to assess employee suggestions and recognize them with honorary or cash awards, as deemed appropriate. Suggestions with potential Navy-wide MWR system impact should be forwarded to BUPERS (Pers-65), via the chain of command, for consideration and appropriate action.

(c) Cash Award. Any award granted for performance exceeding job requirements, either as a one-time occurrence, or over a sustained period. It also covers awards for special acts or services connected with, or related to, employment.

(d) Pay Adjustment for Quality Performance. Employees with documented high quality performance levels may be granted an increase in salary per pay setting rules in chapter 3.

(5) Cash Awards Criteria

(a) Employees may receive no more than a total of \$7,500 in cash awards in any calendar year.

(b) When a contribution has been made by two or more employees, all employees contributing, including supervisors, may share in cash incentive awards. An award may be granted in equal shares, or to each employee in proportion to contributions. However, the total amount of any single group award may not exceed \$7,500.

(c) Cash awards are in addition to an employee's regular pay and are subject to Federal, state/local income, and FICA tax.

(d) Acceptance of the award constitutes an agreement that the use by the Government of the U.S., and its instrumentalities, of any idea, methods, or device for which the award is made will not form the basis of a claim of any nature upon the Government of the U.S., or its instrumentalities by the employee, employee's heirs, or assignees.

(6) Financial Responsibility. Expenses for local awards will be paid from local NAFs. Expenses for awards made by BUPERS (Pers-65) will be charged the appropriate BUPERS central NAF account.

c. Length of Service Awards for NAF Permanent Civilian Employees

(1) Eligibility. All regular and flexible U.S. civilian NAF employees currently employed for 10 or more years by a NAF activity under the cognizance of CHNAVPERS. Military duty is not creditable toward eligibility for these awards.

(2) Years of Employment and Types of Award. Employees will be awarded recognition in 5 year increments starting in their 10th year. A certificate, patch, and pin, will be provided to each employee.

(3) Award Processing. Award certificates, pins, and patches are available from BUPERS (Pers-653) and will be forwarded to the appropriate NAF

activity upon request. Requests specifying length of service should be forwarded to the NAF Personnel and Insurance Branch, BUPERS (Pers-653).

d. Award Ceremony. Activities are encouraged to present awards to employees at an appropriate ceremony. If possible, it is suggested that an annual awards luncheon or dinner be held to recognize at one event the contributions of all employees. Activities are authorized up to \$10.00 per person, annually, for these events.

e. Time Off Award for NAF Employees

(1) Introduction. In accordance with the provisions of Title 5, USC, 4502(e), and sub-part C, part 451 of Title 5, Code of Federal Regulations, heads of NAFIs may grant time off from duty as an incentive award. This plan is separate and apart from the authority to grant time off in lieu of cash payment as compensation for increased productivity under productivity gain sharing programs.

(2) Time Off Awards Determination and Approval. Time off from duty, called a "time off award," may be granted, without loss of pay or charge to leave, in recognition of superior accomplishment, or other personal effort, that contributes to the quality, efficiency, or economy of Government operations. Except as specified below, the authority to approve time off awards is delegated to program directors who have been delegated authority to appoint new NAF employees by their commanding officer, either by letter or in their position description.

(a) A decision to grant a time off award for a period in excess of 1 workday must be reviewed and approved by an official at an organizational level higher than the individual making the initial decision. Thus, program directors may designate subordinates to make initial award determinations, subject to their final review and approval. All such designations must be included in local operating guidance.

(b) Supervisors may grant time off awards not to exceed 1 workday without further review and approval. Such supervisors have this authority if it is so indicated in the position description, or delegated in writing by the program director or activity commanding officer.

(3) Eligibility Criteria. A time off award may be granted to an employee in recognition of superior accomplishment, or other personal effort, which has contributed to the quality, efficiency, or economy of Government operations. Examples of achievements which may be considered for a time off award are:

(a) Making a high quality contribution involving a difficult or important project or assignment.

(b) Displaying special initiative and skill in completing an assignment or project before the deadline.

(c) Using initiative and creativity in making improvements in a product, activity, program or service.

(d) Ensuring the mission of the unit is accomplished during a difficult period by successfully completing additional work, or a project assignment, while maintaining the employee's own workload.

(e) Accomplishing a specific, one-time, or special assignment, that required extra effort, or resulted in the organization receiving recognition for responsiveness to unprogrammed requirements.

(f) Successfully participating in a Quality Circle or Process Improvement Team.

(g) Submitting a suggestion that has been adopted, but because the suggestion is considered to be within the employee's normal job responsibilities, the employee is not eligible for a cash award.

(4) Limitation on Time Off Awards

(a) The total amount of time off which may be granted to a regular full-time employee during any 1 leave year is 80 hours. For part-time employees, or those with an uncommon tour of duty, the total time which may be granted during any leave year is the average number of hours of work in the employee's biweekly scheduled tour of duty.

(b) The maximum amount of time off which may be granted for any single contribution is 40 hours. For part-time employees, or those with an uncommon tour of duty, the maximum award for any single contribution is $\frac{1}{2}$ the maximum amount of time that could be granted during the year.

(c) Time off awards, granted as an award, must be scheduled and used within 1 year after the award is made.

(d) A time off award does not convert directly to cash under any circumstances.

(e) If the employee is transferring to another DOD activity, or outside of DOD, the time off cannot be transferred and, in order to avoid the

loss of the time off, the employee should be allowed to use the incentive prior to the transfer.

(5) Documentation

(a) Any time off award will be supported by appropriate written justification which will include a description of the reason for granting the award.

(b) The amount of time off will be documented on a PAR which will be retained in the employee's OPF. A separate PAR may be used for each separate award, or a single PAR may be used for all time off granted as an award during the leave year.

(c) When time off leave is taken, it should be recorded as administrative leave, unless a separate time recording account has been set up locally.

(6) NAFIs can develop additional awards programs for employees within their activity. If such additional programs are developed, a copy of the award criteria should be forwarded to BUPERS (Pers-653) for information.

324. Employment of Relatives

a. General. The DON has administratively adopted, for its NAF employees, Title 5, USC, 3110, which addresses employment of relatives. Section 3110 prohibits a public official from appointing, or advocating the appointment, employment, promotion or advancement, of his or her relatives. It does not, per se, prohibit relatives from being employed in the NAFI concerned. Paragraph 323(b) specifically defines the term "relative." NAFI activities may prohibit the employment of relatives if it can justify this prohibition on conflict of interest grounds pursuant to Executive Order 11222 and Title 5 CFR, Part 735 (governing employees conduct), or other reasons which might be disruptive to work and interferes with the orderly operation of the NAFI. For example, a policy may provide for the employment of relatives provided an employee is neither under the direct supervision of a relative, nor assigned to the same department as a relative. It must be emphasized that while the NAFI has some latitude in this area, the policies adopted must be consistent with the EEO laws prohibiting discrimination on the basis of sex and marital status, as well as merit system principles. Activities should assure that their public officials leave a wide margin of safety insofar as advocating, recommending, or referring is concerned. In addition to avoiding the appearance of nepotism, public officials should also avoid any action which might result in, or create the appearance of, preferential treatment to any person.

b. For purposes of interpretation "relative" includes: father, mother, son, daughter, brother, sister, uncle, aunt, first cousins, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brothers, or half sisters.

c. For questionable situations, guidance should be requested from BUPERS (Pers-653), or the local legal office.

d. To avoid the perception of favoritism, heads of NAFIs shall be sensitive to ensuring that relatives of NAF employees, who are offered NAF employment, meet all qualifications requirements listed in the vacancy announcement and the PD, and that competitive procedures be followed during the selection process.

325. Erroneous Overpayment. When an employee is erroneously overpaid due to administrative error, other than position misclassification, restitution will be made to the NAFI. The employee must reimburse the NAFI retroactively. Repayment may be made by short term payroll deductions, a one time payroll deduction, or a direct cash reimbursement. In cases where the error was not intentionally initiated by the employee, and was outside his or her influence, cognizant installation commanders may waive repayment up to \$500.00 per incident for travel related over-compensations, and up to \$1,000.00 per incident for other types. Waivers for repayments in excess of these limits may be requested from BUPERS (Pers-65) with proper justification.

326. Mixed Job Pay. No NAF employee will be paid a separate rate of pay for work performed in two or more different occupations on a regular and recurring basis in the same NAFI. Such employment will be classified and compensated under the mixed job principles of the GS regulations. An exception to this rule is granted for MWR single fund activities. In the MWR single fund NAFI, separate rates of pay may be paid for regular and recurring different duties so long as there is a clear distinction of duties. In remarks on the PAR, it should be noted that two separate rates of pay are being used and total hours worked. For activities on Managistics Payroll System, this will require two separate employee payroll identification numbers. Note: If combined hours exceed 8 hours a day, or 40 hours in a week, overtime rules apply. A mixed job description is not required for an on-call intermittent employee who may be called upon to occasionally replace regularly scheduled employees in any position for which the intermittent on-call is qualified. These details should be temporary in nature not to exceed 120 days.

327. Employee Meals

a. The value of any meals provided to food service employees on the employer's premises, free or subsidized at less than the regular menu price, that is required to be taken during, immediately before, or immediately after the employee's working hours, is not to be included in the employee's wages, and is not subject to Federal income tax or FICA by either the employee or the employer.

b. Any meal, including sandwiches, that the employer furnishes for a charge, and the employee may be, but is not required to purchase, is not considered to be for "the convenience of the employer" and is, therefore, subject to taxation as follows: the difference between the cost incurred in furnishing the meal (value), less the amount charged (employees' price) for the meal, is wages for the purposes of Federal Withholding and FICA.

328. Garnishment of Wages. NAFIs are instrumentalities of the Federal government and are deemed essential for the performance of Governmental functions, and are governed by whatever policies the DON is subject to under the Constitution or the Federal Statutes. Therefore, the pay of NAF employees (including off-duty, military personnel) can now be attached by legal proceedings if the individual fails to maintain child support, or alimony payments. Child support and alimony also include attorneys' fees, interest, and court costs, but only if these items are expressly made recoverable as child care or alimony under a degree, order, or judgment, issued in accordance with applicable state or local laws, by a court of competent jurisdiction. The law applies equally to men and women, depending on which one is receiving the child support or alimony. For additional information, refer to SECNAV Instruction 7200.16. In addition, NAF employees may be garnished for any of the reasons that private industry employees can be garnished.

329. Withholding Pay. In accordance with Title 5, sections 5511 and 5512, NAFIs are authorized to withhold employees' pay in the following circumstances:

a. Employees Removed for Cause

(1) Except as provided for in (2) below, the earned pay of an employee removed for cause may not be withheld or confiscated.

(2) If an employee indebted to the NAFI is removed for cause, the pay accruing to the employee will be applied, in whole or in part, to the satisfaction of any claim or indebtedness due the NAFI.

BUPERSINST 5300.10
3 Dec 97

b. Individuals in Arrears. The pay of an individual in arrears to the NAFI will be withheld until he or she has accounted for, and paid into the NAFI, all sums for which he or she is liable.

PAY BANDING CLASSIFICATION AND PAY SYSTEM FOR WHITE COLLAR NAF EMPLOYEES

WORK LEVEL, PAY CATEGORY,	GRADES REPLACED	COMPARABLE GS GRADES	BASIC WORK CHARACTERISTICS OF BAND	EXAMPLES OF JOBS COVERED
Junior Clerical/ Customer Srvs NF-1	AS/PS 1-4	GS 1-3	Routine clerical and customer service duties such as filing, receptionist, typing, demonstrating and selling merchandise, receiving money, making change.	Computer; Acct; Pers; Ops; Supply; Mail, File and Desk Clks; I.D. Checker; Life Guard; Rec Aid; Cashier; Duty Off; Courier; Clk-Typ; Jr. Sales Clk.
Senior Clerical/ Customer Srvs NF-2	AS/PS 5-6	GS 4	More complex clerical, customer service, admin and technical support duties such as typing, shorthand, creating and maintaining files, applying regulations, conducting studies, demonstrating and selling merchandise, planning and conducting patron activities, supervising activities.	Rec Asst; Water Safety Inst; Secy; Cashier; Computer or Pers Clk/Asst; Illustrator; Club Ops Asst; Payroll Clk/Tech; Sr. Sales Clk; Acct Tech.
Specialist/ Management NF-3	AS/PS 7 and UA 5-8	GS 5-8	Band includes management entry jobs and certain admin and technical full performance jobs. Also includes jobs that assist full performance specialist in the following program areas: sports, acct., payroll, budget, theater programs, catering, purchasing, computer centers, personnel, and retail.	Retail Mgr (main or branch store); Stockroom Mgr; Shift Mgr (retail); Admin Asst; Secy; Rec Spec; Supv Rec Spec; Computer Spec; Acct Tech; Accts Payable Ldr; Gen Ledger Ldr; Supv Acct Tech; Illustrator; Bowling Ctr Mgr; Caterer, Club Mgr; Procurement Asst/Agent.
Senior Specialist/ Management NF-4	UA 9-12	GS 9-12	A subject matter expert in a highly specialized area, responsible for developing local regulatory compliance procedures, and addressing related problems. Representing area of expertise to a NAFI and public. Planning, organizing and directing program activities, ensuring program budget compliance, performing the full range of supervisory duties, evaluating program effectiveness, representing program to customer, coordinating support services. In an audit/review capacity, conducting surveys and studies of activities and functions. Examining mission, funding, organization, reports, functional statements, etc., to correlate, analyze, determine and recommend management action to resolve problems or improve efficiency of operations.	Sr. Auditor; Mech Engr; Mgr of Food Acts (Burger King()); Gen Mgr (Exchange); Retail Main & Br Stores; Family Spt; Pers, Rec & Spt Srvs; Sports Spec; Rec Spec; Supv Rec Spec; Empl Rel Spec; Computer Spec/Prog Analyst; Spt Srvs Supv; Food & Bev Dir; Mktg and Advertising Spec; Club Coord; MWR Dir.
Top Management NF-5	UA 13-15	GS 13-15	Typically mgt/supv-positions. Staff specialist positions at a regional or national level may be included. Includes managing a large NAFI at a large installation or directing a major program area at regional level. Planning, organizing and conducting a comprehensive program integrating a variety of resources at the national level. Serving as a consultant, providing guidance, assistance and advice to field activities. Coordinating with other national staff and other military departments. Planning, coordinating, directing and controlling all phases of a major area/division within a NAFI. Developing or revising long range plans and policies which impact the NAFI and services community. Directing the mgmt of subordinate activities to include examining and making recommendations concerning expansion, relocation, or discontinuation.	General Mgr (Exchange); Attorney; Labor Rel; Retail Mgr (main Store); retail Mgr (region); Family Spt Off; Pers Mgmt Spec; Pers Off; Policy & Prog Mgr; Community Rec; Prog Rev & Dev; Prog Analyst; Community & Family Acts, Prog Mgr; Sr. Prog Analyst; Comptroller; Finance Mgr; Club Mgr; Community Ops Off, Exec Dir; Supv Benefits Prog Mgr; Club Coord; MWR Dir.
Senior Executive NF-6	UA 16-18	SES ES 1-6	Executive positions, with extensive mission accomplishment responsibilities in directing an entire NAF component or a major sub-division thereof.	Dir, Hospitality Mgmt (Component Level); Chief Operating Off (entire exchange system).

Figure 3-1

QUALIFICATIONS FOR GSE POSITIONS

1. Unlike the Civil Service Handbook X118 requirements, there is no general experience requirement in this qualification standard. Instead, all required experience is of the specialized nature, i.e., actual experience in child care or a directly related field, e.g., kindergarten aides, teachers, etc.

2. In the following two charts, experience required for Child Development Program Assistants GSE-1702-02, 03 and 04 and for Child Development Program Leader and Specialist GSE-1702-05 is shown in terms of months or years with 2087 work hours equal to 1 full year of experience.

CHART I - PAY BAND I

Level	Required Experience	Required Training and/or Certification
<u>Entry Level</u> GSE-1702-02 Child Development Program Assistant	NONE	High School Diploma
<u>Intermediate Level</u> GSE-1702-03 Child Development Program Assistant	6 Months	*CPR *First Aid and Heimlich Maneuver *Child Abuse Prevention and basic child development reading of local standard operating procedures

* Must be completed within 60 days of assignment to position.

Note: Applicants must be at least 18 years of age at time of appointment, earned a high school diploma or equivalent, be able to lift up to 40 pounds, and successfully pass the required security and health checks.

Figure 3-2

CHART II - PAY BAND II

Level	Required Experience	Required Training and/or Certification
<u>Full Performance Level</u> GSE-1702-04 Child Development Program Assistant	1 year (6 months of this experience must have been at the GSE-03 level or private sector equivalent)	Must complete all GSE-03 training and certification requirements, plus DON Care givers training.
GSE-1702-05 Child Development Program Leader	2 years, and	a. Completion of all training certification requirements for GSE-03 (intermediate) and GSE-04 (full performance level); and b. An AA degree in child development or a related field; or c. An earned child development associate credential.
GSE-1702-05 Child Development Program Technical	3 years and 2 years plus 0 years	a. Completion of headquarters component training requirements; or b. An AA degree in child development or related field; or a CDA credential; or c. Bachelor's Degree in Child Development or related field.

Substitution of education for experience for child development program assistant position 04: Education may be substituted for experience only after 6 months experience has been earned.

Figure 3-2a

BUPERSINST 5300.10
3 Dec 97

(Date)

From: Activity Name
To: Employee

Subj: RETENTION BONUS

1. I acknowledge that the receipt of \$_____ on ____ (Date) _____ was afforded to me as an employment retention bonus.

2. I also understand and agree that I will remain employed with (activity name) for at least 12 months effective with the date of this letter.

3. If I resign from this activity, or if I am removed for cause before the expiration of the required 12 months of employment, I will, upon demand, repay to (activity name) a sum equal to the retention bonus. I authorize (activity name) to withhold any final pay due to me to apply against or liquidate any indebtedness.

Signature
Date

Figure 3-3

BUPERSINST 5300.10
3 Dec 97

(Date)

From: NAFI (Name)
To: (Employee's Name)

Subj: DUAL EMPLOYMENT AND DUAL COMPENSATION ACT

1. The Dual Compensation Act (5 USC 5533A, as amended) states that "Civilian employees will not be entitled to receive basic compensation from more than one civilian office or position (including temporary, part-time, or flexible positions) of the Government of the U.S. (including Nonappropriated Fund Instrumentalities under the jurisdiction of the U.S. Armed Forces) for more than an aggregate of 40 hours of work in any 1 calendar week."

(Signature)

(Date)

FIRST ENDORSEMENT

From: (Employee's Name)
To: NAFI (Name)

Subj: DUAL EMPLOYMENT AND DUAL COMPENSATION ACT

1. I certify that I am/am not employed by the Federal Government (civil service or nonappropriated fund) in any position other than the one for which I have been selected.

2. I understand that if I am employed in another position, I cannot work for more than an aggregate of 40 hours in a basic work week, and if I do, any overpayment is subject to repayment and any leave accrual is subject to forfeiture.

3. I further agree that I will immediately report any future position that I may accept with the Federal Government while I am currently employed at this activity.

CHAPTER 4

CLASSIFICATION

401. Classification

a. General. Heads of local NAFIs are responsible for ensuring the accuracy and currency of PDs, and for ensuring the proper classification of positions within their jurisdiction in accordance with the appropriate classification guides or job-grading standards.

b. Job-Grading System

(1) OPM has developed and issued a job grading system for NAF positions subject to the provisions of Public Law 92-392 (NA, NL, and NS positions). Details of this system are contained in Sub-chapter S6 of OPM's Operating Manual for NAF Wage System. Supplemental guidelines are also found in DOD 1401.1M-1.

(2) Pay Band Positions

(a) Figure 3-1 in Chapter 3 depicts the structure of the pay band system. It shows, for each band, the generic work level, pay category, grades replaced, comparable GS grades, characteristics of work covered, and examples of jobs covered. Information in Figure 3-1, along with a more detailed description of work characteristics of each band, and a hierarchy of position guides or standard jobs for each band, is used to place a set of duties in the proper band. Any available guidance on classification published by the OPM, DOD NAF Personnel Policy Office, or BUPERS (Pers-653) may be used, as appropriate.

(b) BUPERS (Pers-653) has developed Standardized Position Descriptions (SPD). Heads of NAFIs may modify the SPDs as long as the modifications do not cause the modified position to fall into a different pay band.

c. Classification of Supervisory and Managerial Positions. While the size of the organizational unit and number of subordinates supervised may affect the grade of a supervisor or manager, these factors alone may not be used in determining the grade of such supervisor or manager. In grading these positions, other factors will be considered, such as kind, difficulty, and complexity of work supervised; degree and scope of responsibility delegated to the supervisor and kind, degree, and scope of the supervision exercised. A reduction in the number of subordinates, or size of the organizational unit supervised, may not be used under any circumstances as the sole basis for reducing the grade of a supervisory or managerial positions.

d. BUPERS (Pers-65) is the classification authority for NF-5 and above positions.

402. Qualification Requirements. NAFIs may use the qualification requirements in the X-118 Civil Service Handbook for NF positions. For crafts and trade positions (NA, NL and NS), they may use requirements in the X-118C (Civil Service Handbook). If NAFI managers choose not to use these guidelines, they must develop their own consistent written qualification requirements for positions which will be placed in the promotion/case file.

403. Classification Appeals and Grievances

a. General. All FWS employees have the right to file a position classification complaint and appeal concerning their own positions.

b. Crafts and Trades (C&T) Employees

(1) Classification Appeals. A C&T employee may appeal his or her grade, title, or series at any time, but not the classification or job grading standards established for the job, nor other matters such as the accuracy of the position description, the rate of pay, or the propriety of a wage schedule rate. Classification appeals are restricted to FWS employees.

(2) PD Accuracy. Dissatisfaction with a PD should be resolved locally through review and grievance procedures.

(3) Classification Review and Appeal Procedures

(a) Only one review level within the Navy may occur before the final decision is issued. The level will be above the position classification authority level that took the action for the review requested. BUPERS (Pers-653) is the review level for BUPERS NAF FWS employee classification appeals.

(b) Decisions on classification appeals will normally be made by BUPERS (Pers-653) within 60 days of the date the employee filed the application for review. BUPERS (Pers-653) will base its decisions on the record. The decisions will include an analysis of the employee's job, compared with guidance on classification published by OPM, DOD NAF Personnel Policy Office, or BUPERS (Pers-653) for FWS positions. If the decision sustains the employee's application and corrective action is necessary, the effective date of change in the grade of the job will not be later than the first day of the first pay period, beginning after the 60th day from the date the application was filed. If the request is not sustained, the employee will be advised of his or her appeal right to OPM. (See OPM's Operating Manual for NAF Wage System, Sub-chapter S7-7, for additional information).

(c) When a classification action results in a change to a lower grade, or loss in pay, the head of the NAFI will notify the affected employee promptly, in writing, of its decision and the effective date. The normal effective date of a change in pay, because of a grading or regrading of a position, is the date the action is approved in the agency, or a later date specifically stated. However, the effective date may not be later than the beginning of the first pay period that begins after the 60th day from the date of the classification action that results in a change to a lower grade, or loss in pay. The notice will advise the employee about his or her right to review by BUPERS (Pers-653), and the right to forward it to the DOD NAF Personnel Policy Office. Additionally, the notice will specify that to be entitled to retroactive corrective action, the employee must request review within 15 calendar days of the effective date of the change to a lower grade or loss of pay.

(d) An employee filing an application for review under the appeals system has the right to be represented and advised by a representative of his or her own choosing, and to take a reasonable amount of official time to present the application. An employee who submits an application for review, and the employee's representative, will be free from restraint, interference, coercion, discrimination, or reprisal, because of his or her participation in the review system.

(e) The filing of a job grading appeal does not negate any other appeal, or grievance rights, which may be available under applicable laws, rules, regulations or negotiated agreements.

(4) Content of Application for Review. An employee's application will be in writing and will clearly state the reasons the employee believes his or her job is erroneously classified. The application will include:

- (a) Full name and mailing address.
- (b) Location and organizational designation of employment.
- (c) Present title, series, and grade.
- (d) Requested title, series, and grade.

(e) A statement of facts that the employee believes may affect the classification of the position.

(5) Employee Responsibilities. The employee will furnish any additional facts promptly that may be requested by BUPERS (Pers-653) or the DOD NAF Personnel Policy Office.

(6) Time Limit for Filing Application. An employee may file an application for review at any time. However, when the application involves a reduction in grade, or loss of pay, it must be filed within 15 calendar days of the effective date to establish and maintain entitlement to retroactive corrective action. This time limit may be extended if the employee can show that he or she was not notified of the time limit, was not aware of it, or was prevented by circumstances beyond his or her control from filing an application within the prescribed time limit.

(7) Cancellation of Application. An employee's application for review or appeal will be canceled immediately when:

(a) The employee requests, in writing, the termination of his or her application.

(b) The employee is no longer in the job that was the subject of the application, except when the employee is entitled to retroactive benefits, including benefits allowable after the death of the employee.

(c) An employee fails to prosecute or furnish required information promptly.

c. Position Classification Appeals Review File. The heads of NAFIs are responsible for maintaining a position classification review file that will constitute the review record. This record may not contain any information that is not made available to the employee. The review file will include:

(1) An individual PD that certifies that the duties are accurate. If this cannot be accomplished, documentation of disputed duties and responsibilities will be attached to the official PD.

(2) Pertinent organizational charts reflecting the location of the position.

(3) An analysis and evaluation of the duties and responsibilities of the employee, as compared with appropriate standards, and a copy of the review decision.

(4) Component recommendations, or any supplementary information, bearing on the employee's duties and responsibilities.

d. Pay Band Employees

(1) Employees dissatisfied with the assigned pay band of their position may file a grievance either with BUPERS (Pers-65), or through the local grievance procedure, dependent upon which entity established the pay band.

(2) Employees dissatisfied with their job title, occupational series, or accuracy of PD, may use the local grievance procedures.

(3) Application for Appeal. Pay band employees, or their designated representative, may file an appeal with the DOD NAF Personnel Policy Office after completing the review process at BUPERS (Pers-65). The decision of the DOD NAF Personnel Policy Office is binding on all administrative certifying, payroll, disbursing, or accounting officers within DOD NAF activities for all UA, AS and PS employees.

e. Correction of a Classification Error. Saved pay is authorized when an employee is changed to a lower pay band as a result of a classification error, provided the employee has served for 1 continuous year immediately before the change, in one or more positions at a pay band higher than the one to which demoted.

f. How to Contact the DOD NAF Personnel Policy Office. In writing:

DOD NAF Personnel Policy Office
801 N. Randolph Street
Room 1205
Arlington, Virginia 22203-1989

CHAPTER 5

WORK ATTENDANCE AND LEAVE

501. Overall Policy. To establish uniform and equitable work schedules, hours, and attendance requirements, essential to the health and welfare of NAF employees and to conform to applicable executive orders, and DOD and DON issuances.

502. Definitions

a. Absence Without Leave (AWOL). Absence from duty that has not been authorized or approved by the appropriate authority in accordance with the provisions of this manual.

b. Accrued Annual Leave. Leave earned which is credited to an employee's account during the current leave year.

c. Accumulated Annual Leave. Unused annual leave remaining to the credit of an employee at the end of any pay period.

d. Accrued Sick Leave. Leave accrued and credited to an employee's account during the current leave year.

e. Accumulated Sick Leave. Unused sick leave remaining to the credit of the employee at the end of any pay period.

f. Break-in-Service. A separation from the rolls for a period of 1 or more workdays of the employee's basic workweek. A period of absence for military duty, followed by the exercise of reemployment rights, is not regarded as a break-in-service for purposes of this instruction.

g. Continuous Service. The total period of time, from the date of appointment until the date of separation, irrespective of pay status during such period.

h. Court Leave. The authorized absence of an employee from work status for jury duty, or to appear as a witness in an unofficial capacity on behalf of the U.S. Government.

i. Administrative Leave. The administratively authorized absence from duty without loss of pay, and without charge to earned leave.

j. Home Leave. Leave authorized by administrative adoption of section 6304(a), Title 5, USC, and earned by service abroad for use in the U.S., in the Commonwealth of Puerto Rico, or in the territories or possessions of the U.S. upon renewal of an overseas tour (also see chapter 8).

k. Leave Year. A 52-week period covering the administration of leave. The leave year for NAFIs under the cognizance of BUPERS (Pers-65) begins on 1 January and ends 31 December each year. The cut off date for "use or lose" annual leave is the end of the first pay period that begins in December and ends in January of the new year.

l. Military Leave. Absence from duties without loss of pay, time, or performance ratings, for those NAF employees who are members of Reserve Components of the U.S. Armed Forces, including the National Guard on days in which they are engaged in temporary active duty or inactive duty for training.

m. Leave Without Pay (LWOP). Approved non-pay status and absence from duty.

n. Military Furlough. A leave of absence, or separation of a regular full-time or regular part-time employee, for induction or recall to active duty in one of the U.S. Military Services.

o. Compensatory Time for Religious Purposes. An overtime period an employee elects to work for the purpose of taking an equal amount of time off for religious observance, instead of overtime pay and without charge to leave.

p. Funeral Leave. Administrative leave for purposes of making arrangements and attending services in the case of the death of a member of the immediate family.

q. Abandonment of Position. Unauthorized absence, or unexcused absence, of more than 3 days.

503. Schedule of Work Attendance

a. Administrative Workweek. The administrative workweek for NAF employees will be a period of 7 consecutive calendar days as established by management for all employees of the operation. It need not coincide with the calendar week, but may begin on any day and at any hour of the day as long as it is handled consistently for employees within the NAFI operation.

b. Basic Workweek. Within the administrative workweek, the basic scheduled workweek for NAF employees will not exceed 40 hours, exclusive of meal times. Whenever possible, 2 consecutive days off will be provided in each administrative workweek. However, the basic workweek may be scheduled over a period of 6 days provided the total scheduled hours do not exceed 40.

c. Workday. The workday will be administratively scheduled, will normally not exceed 10 hours, and may extend over 2 calendar days.

d. Scheduling and Recording

(1) Minimum Requirement. A system for scheduling and recording the time and attendance of each employee will be established in each NAFI. The system need not be elaborate, nor complicated, but it must be able to document the employee's attendance.

(2) Rounding Off Time Recorded. Fractions of an hour worked are creditable in tenths of an hour increments. For example, an employee who left work 5 minutes after their scheduled departure would not be paid for the extra time. However, if they left 7 minutes after scheduled departure, they would be eligible for an extra tenth of an hour pay. Management should monitor employee time recording carefully to prevent unplanned overtime due to variances in time recording.

(3) Use of Time Clocks. Activities that have employees use time clocks to record time worked are required to pay based on the time recorded. Changes should only be made on the time recorded on the employee's time card in cases of mistakes and initialed by the supervisor. Employees who continually fail to punch in or out properly should be counseled, and disciplined if appropriate, in accordance with the provisions of this manual.

e. Meal Periods

(1) Duration. Regular meal, or lunch periods, normally will be established at no less than 30 minutes nor more than 1 hour.

(2) Treatment for Pay Purposes. This time will not be considered or paid as time worked, except for the purpose of determining entitlement to night shift differential pay. The NAFI will not use the employee during meal period to perform work.

(3) Limit on Time Worked without a Meal Break. Employees normally should not be required to work more than 6 consecutive hours without allowance for a meal period. An exception to the meal period requirement is for positions at isolated work sites where it is not practical to provide a replacement for the employee during the meal period. For example, in a one person operation in a small snack bar, open from 1600-2300, where no one is available for relief, management could eliminate the meal period. The employee may be permitted to eat on the job, but must be paid for all time on duty during the shift.

(4) Other Breaks or Rest Periods. Coffee breaks, and other rest periods of short duration, may be authorized by management, but must be counted and paid as hours worked for pay purposes.

f. Legal Holidays

(1) List of Holidays. Legal holidays include the 1st of January, the 3rd Monday of January, the 3rd Monday of February, the last Monday of May, the 4th day of July, the 1st Monday of September, the 2nd Monday of October, the 11th day of November, the 4th Thursday of November, the 25th of December, Inauguration Day (only for employees working in the Washington, D.C., Metropolitan area as explained in the rules for APF employees), or any other calendar day designated as a holiday by Federal statute or executive order.

(2) Observance When Holiday Falls on Weekend. If a legal holiday falls on a Saturday, it is observed on the preceding Friday. If it falls on a Sunday, it is observed on the following Monday.

(3) Pay Procedures. See Chapter 3 for details.

g. Religious Observance. An employee may elect to work compensatory time for the purpose of taking time off without charge to leave when personal religious belief requires that the employee abstain from working during certain periods of the workday or workweek.

(1) An employee who elects to work compensatory time for this purpose will be granted, instead of overtime pay, an amount of time off from his or her scheduled work (hour for hour) equal to the compensatory time worked.

(2) An employee's election to work compensatory time, or to take compensatory time off to meet his or her religious obligations, may be disapproved if such modifications in work schedules interfere with the efficient accomplishment of the assigned mission.

h. Minimum Deduction for Leave. The minimum deduction for leave is 1/10th of an hour.

i. Recording Absence Without Leave (AWOL). Any absence from duty which was not authorized or approved, or for which a leave request was denied, is charged on leave and pay records as AWOL. Pay is withheld for the entire period of the absence. Disciplinary action may be taken in accordance with the provisions of this manual. If it is later determined by management that the absence was excusable, the time charged to AWOL will be changed to annual or sick leave, or leave without pay, and the employee paid as applicable. Only absence during the employee's regularly scheduled basic tour of duty may be considered as AWOL.

j. Flexible and Compressed Work Schedules. Heads of NAFIs may authorize flexible and compressed work schedules. Procedures established will be in accordance with P.L. 99-196, December 23, 1985, and local command directives.

k. Credit Hours. NAF employees are not eligible to accumulate credit hours as defined in Title 5, USC, 6121-6126.

l. Abandonment of Position. Any unauthorized, or unexcused absence, of more than 3 working days will be considered abandonment of position, and may be grounds for disciplinary action to include termination of employment.

504. Leave Donation Program

a. Program Approval. Heads of NAFIs may establish a program, in writing, that permits employees to donate annual leave to other employees for medical or family emergencies.

b. Required criteria. Programs for civil service employees should be used as a guideline within the following parameters:

(1) Voluntary participation is limited to current Regular Full-Time (RFT) or Regular Part-Time (RPT) NAF employees who have been employed at least 2 years.

(2) The transfer of annual leave must be among NAF donors within the recipient's employing NAFI.

(3) The approval and use of transferred annual leave will be subject to the conditions and requirements imposed by this manual, and local command regulations pertaining to annual leave.

(4) Management will establish minimum written criteria that an employee must meet to receive annual leave donations. These criteria must ensure that sick leave abusers are not allowed to use this program to replace leave that they have squandered in the past.

505. Annual Leave Policy

a. Creditable Service for Annual Leave Accrual. All prior DOD NAFI service, including service with current employers, as an RFT or RPT employee.

(1) Conversion from Flexible to Regular Employment. Effective upon receipt of this manual, flexible employees converted to RFT or RPT status will be given credit based on weeks regardless of scheduled hours for their flexible service, if converted to a regular status in the same NAFI without a

break in service. These employees must be employed for 90 days before leave can be granted.

(2) Credit for Uniformed Service. All active Uniformed Service, except for certain retired members of the Uniformed Services as outlined below, terminated by honorable discharge under honorable conditions, or by transfer to inactive reserves under honorable conditions, is creditable for determining the annual leave accrual rate.

(3) Credit for Military Retirees. For an employee who is a retired member of any of the Uniformed Services, credit is restricted to the actual active service in the Armed Forces during wartime, or in any campaign or expedition for which a campaign badge has been authorized. If the retired member meets one or more of the following conditions, all of his or her active service is counted for leave accrual purposes:

(a) The retirement was based on disability resulting from injury or disease received in the line of duty as a direct result of armed conflict.

(b) The retirement was based on disability caused by an instrumentality of war, and incurred in the line of duty during a period of war (as defined in sections 101 and 301 of Title 38, USC).

(c) On November 30, 1964, the retired member was employed in a civilian office to which the annual and sick leave law applied, and continues to be employed in an office of this kind without a break in service of more than 30 days.

(d) The employee is responsible for providing data concerning campaigns, expeditions, etc., to the Personnelist before any credit can be authorized.

(4) Credit for Portions of Months. Fractional parts of months will be added together when calculating the total length of service. However, the total length of service for annual leave accrual purposes will be stated in terms of completed months.

(5) Credit for Military Training. Civilian employees of NAFIs who are called to active duty for short periods of time (not to exceed 6 weeks) with Reserve components of the U.S. Armed Forces will continue to accrue annual leave credit during such periods. Off-duty time while in Reserve components is not creditable.

(6) Exemptions. No employee, who is currently in a leave accrual category as a result of more liberal provisions in place prior to DOD

regulations on leave issued on 6 September 1974, will be penalized by being placed in a lower category for leave accrual or accumulation purposes.

b. Leave Authorization. The appropriate supervisory authority will approve and schedule annual leave when the workload permits. Whenever possible, this should be at the convenience of the employee, but mission requirements must take precedence. Such leave will be earned by incumbents who are designated as regular employees (including off-duty RPT military personnel). The amount of annual leave earned depends on the employee's total length of creditable service.

c. Limit on Amount of Leave Authorized

(1) RFT employees may take leave to cover only the amount of hours they would normally work during the period for which leave is requested. Normally, this will not exceed 8 hours per day, or 40 hours per week.

(2) RPT employees may take leave to cover only the actual hours that they normally work per day, and actual scheduled hours per week. For example, if an employee with 40 hours accrued leave on the books who normally works 4 hours per day, Monday through Friday, takes the week off, he or she would be entitled to a maximum of 20 hours annual leave.

d. Prohibition on Advance Leave. Leave may not be granted until after the completion of the pay period in which it is earned. Advance annual leave is prohibited. However, in foreign areas, employees granted home or emergency leave under the provisions of Chapter 8 of this manual, and those in U.S. territories and possessions may, on departure, be paid in advance for accrued leave to be taken during that period.

e. Limits on Requiring Employees to Take Annual Leave. Heads of NAFIs may not require a NAF employee to take annual leave, except as provided for in emergency and BBA furloughs.

f. Annual Leave Accrual Rate. Annual leave will be accrued by RFT and RPT employees while in a pay status, excluding overtime hours worked in excess of 40 hours during the basic workweek. Employees receiving workers compensation benefits under the Longshoremen's and Harbor Worker's Compensation Act, and carried on the rolls of the employing NAFI in a leave-without-pay status, do not accrue annual leave.

(1) Employees with less than 3 years of service will accrue 5 percent of the total hours in the basic workweek.

(2) Employees with 3 years, but less than 15 years of service, will accrue 7.5 percent of the total hours in the basic workweek, except for the

final biweekly period of the leave year when leave will accrue at the rate of 12.5 percent of the total hours in the basic workweek.

(3) Employees with more than 15 years of service will accrue 10 percent of the total hours in the basic workweek.

g. Changes in Rates of Accrual. Changes in the rates of accrual are effective at the beginning of the first pay period following the completion of the prescribed service. When a change from a 7.5 percent to a 10 percent leave category occurs at the beginning of the last full biweekly pay period in the calendar year, the employee's leave credit for that period will be computed at 12.5 percent of hours in a pay status.

h. Time of Crediting. Accrued leave is credited to the employee's individual leave record upon completion of a 90 calendar day qualifying period. Accrued leave will be reflected, but not paid, during the 90-day qualifying period. Accrued leave is credited at the end of the pay period in which it is earned.

i. Payment Upon Separation. Upon separation from a NAFI, an employee who has completed 90 days as an RFT or RPT employee will be paid for the accumulated annual leave credited to the employee's account. (Employees with less than 90 days RFT or RPT NAF service will not receive any payment for accrued annual leave.) Payment will be made at the salary rate in effect at time of termination (e.g., annual leave payoff for employee on temporary promotion at time of separation would be paid at a temporary promotion rate). Employees reinstated within 6 months of termination from a NAFI are not required to serve another qualifying period.

j. Payment or Transfer of Accumulated Annual Leave. Upon movement to a NAFI, an RFT or RPT employee may elect to transfer or be paid off for any part or all of the accrued leave balance. Any annual leave balance transferred must include funding to cover the transferred leave.

k. Disposition of Annual Leave When Employee Changed to Flexible Employment Category

(1) When the status of an RFT or RPT employee who has been employed for more than 90 days is changed to flexible, accrued annual leave is paid off. (See paragraph 506 for disposition of sick leave.) In the event that the employee is changed back to an RFT or RPT category, the annual leave accrual rate will be restored.

(2) When the status of an RFT or RPT employee employed, less than 90 days, is changed to flexible, the annual leave balance is dropped without payment. (See paragraph 506 for disposition of sick leave.) In the event that the employee is later changed back to an RFT or RPT category, the annual leave and annual leave accrual rate will be restored.

1. Maximum Annual Leave Carryover

(1) The maximum accumulations of annual leave that may be carried over from 1 leave year to the next is 240 hours.

(2) Employees recruited from the U.S. for employment overseas in accordance with Chapter 8 of this manual may accrue up to 360 hours annual leave. When these employees return from their overseas assignments, they are authorized a maximum carryover of 360 hours for 2 leave years following their return from overseas.

(3) RFT and RPT employees assigned to a base designated for reduction or closure as a result of Base Realignment and Closure Commission (BRAC) decisions are authorized to accumulate annual leave without regard to the 240-hour limitation. If the employee moves to another DOD NAFTI and elects to transfer their leave, the 240-hour annual leave maximum limitation would be reinstated at the end of the second full calendar year after transfer.

(4) Local commanding officers may approve carryover of annual leave in excess of 240 hours on a case-by-case basis. Local approvals will be applied equitably and efficiently. BUPERS (Pers-653) will periodically monitor these approvals as part of the Personnel Management Evaluation process.

506. Sick Leave Policy

a. Eligibility. Sick leave will be credited to RFT and RPT (including off-duty RPT military personnel). There is no minimum qualifying period for the crediting of sick leave.

b. Granting Sick Leave. All RFT and RPT employees who have sick leave to their credit may be granted such leave for legitimate medical reasons. Employees on furlough or leave without pay are not eligible to be paid for sick leave. Sick leave is a privilege and will be approved only when an employee cannot perform assigned duties due to legitimate medical reasons.

c. Prohibition on Paying Advance Sick Leave. Advance payment for sick leave is not authorized.

d. Sick Leave Credit Accruals

(1) Sick leave credits will accrue at the rate of 5 percent of the total basic workweek hours in a pay status and will be credited from the date of appointment to regular status.

(2) Sick leave credits, including those accrued while on annual or sick leave, are credited to the employee's account at the end of the pay period in which accrued.

e. Transfer of Sick Leave Credit. Sick leave credits will be transferred between DOD NAFIs provided the employee:

(1) Did not retire from the losing NAFI.

(2) Is placed in an RFT or RPT pay status in the gaining NAFI within 180 calendar days of removal from pay status in the losing NAFI.

(3) Did not receive retirement service credit for unused sick leave.

(4) A NAF employee, who is converted from regular to flexible status, is entitled to a re-credit of the untransferred sick leave (without regard to the date of the original move) if the employee returns to an eligible NAF position with the same or different DOD component.

f. Accumulation of Sick Leave. There is no limit on the amount of sick leave that an employee may accumulate and carryover from 1 leave year to the next. No payment for unused sick leave will be made to an employee under any circumstances.

g. Use of Sick Leave for On-the-Job Injuries. An employee covered by Workers' Compensation (Title 5, USC, 8171) may be granted sick leave from the employee's accumulated sick leave balance in lieu of the Workers' Compensation Benefit if the employee has signed the Leave Option Form. If the employee signs the Leave Option Form for the use of sick leave, the Workers' Compensation Benefit payments from the third party administrator must be forwarded to the finance office for reinstatement of leave based upon the benefit payment received from the Workers' Compensation Program.

h. Disposition of Sick Leave When Employee Changed to Flexible Employment Category. When the status of an RFT or RPT employee is changed to flexible, accrued sick leave is dropped. (See paragraph 405 for disposition of annual leave.) In the event that the employee is changed back to an RFT or RPT in the same NAFI, without a break in service, the sick leave will be restored.

i. Notifying Supervisor When Sick Leave Required

(1) Unexpected Illness or Injury. In cases of illness or injury, the supervisor should be contacted as soon as possible prior to the scheduled starting time for the shift, but not later than 1 hour after the normal starting time.

(2) Medical Appointments. Medical, dental and optical appointments should be made in advance and the employee's supervisor must be notified by leave request slip prior to the appointment with the approximate time the employee expects to be away from the job.

j. Requirement for Medical Certificate for Illness

(1) Absence of More Than 3 Days. If an employee is absent from work due to illness or injury for more than 3 working days, the employee will be required to furnish the supervisor with a doctor's certificate to substantiate the illness, and certify that the employee is able to return to work. In periods of extended illness, management may require the employee to provide updated medical certification on a biweekly basis.

(2) When Sick Leave Abuse is Suspected. When the supervisor believes that sick leave is being abused by an employee, he or she may deny sick leave requests, or require a medical certificate in writing for each subsequent absence which is claimed as sick leave. Abuse of sick leave privileges is cause for disciplinary action up to possible termination as absence from work without adequate excuse.

k. When Sick Leave is Exhausted. When sick leave is exhausted, the employee may use annual leave subject to management approval. Should the period of illness extend beyond the limits of sick and annual leave, the employer may elect to approve leave without pay as detailed in paragraph 512. Management has the option of disapproving any requests for annual leave, or leave without pay, and terminating the employee for disability extending beyond sick leave as described in Chapter 5 of this instruction.

507. Absence for Maternity or Paternity Reasons. Heads of NAFIs will apply the same leave policies, regulations, and procedures for requests for maternity or paternity absences as are applicable to requests for leave generally.

a. Leave for Maternity Reasons. RFT or RPT female employees may request sick leave, annual leave, or leave without pay when incapacitation related to pregnancy and confinement has been properly established by medical authority. An absence covering pregnancy and confinement will be treated as any other medically certified temporary incapacitation.

b. Leave for Paternity Reasons. RFT or RPT male employees may request annual leave, or leave without pay, for purposes of assisting, or caring for their children, or for the mother of the newborn child while she is incapacitated, as established by medical authority, for maternity reasons.

508. Administrative Leave. Heads of NAFIs may authorize time off with pay to regular employees for blood donations, for voting in Federal, state, county, and municipal government elections, and for other reasons acceptable to the head of the NAFI when deemed prudent and in the best interest of the NAFI.

a. Court Leave

(1) Authorized Usage. Upon advance submission of a court order, subpoena, summons, or any other judicial notification, regular employees will be granted paid court leave for jury duty; to appear in court in an unofficial capacity as a witness on behalf of the U.S. Government, or the Government of the District of Columbia; and to appear in court in an unofficial capacity as a witness on behalf of private parties where the U.S., the District of Columbia, or a state or local government, is a party to the proceedings. The court may be a Federal, District of Columbia, state, or local governmental-unit court. This provision does not apply to an employee appearing as a witness in a judicial proceeding that involves only private parties.

(2) Pay Offset. Regular employees on court leave will receive their regular pay for such time, or will retain the court fees received from the court, whichever is the greater amount. If the court fees are the lesser amounts, such fees, exclusive of transportation fees when separately identified or otherwise identifiable, will be turned over to the employing NAFI. However, when a state statute provides for reimbursement of expense, or an expense allowance rather than a jury fee, employees will receive their regular pay and the money paid by the court.

b. Funeral Leave. Administrative leave may be granted to regular employees, not to exceed 3 workdays, for death in the immediate family including spouse, parent, child, brother, sister, parent of spouse, grand parents (in loco parentis) or other close relative who is part of an employee's immediate household. At the discretion of the supervisor, employees may be granted time off charged to annual leave, or leave without pay (if annual leave is exhausted), in the event of death of other close relatives.

c. Disruption of Normal Operations

(1) Local Authority. When normal operations of a NAFI, or a specific element of the NAFI, are interrupted by events beyond the control of

management or employees, heads of NAFIs, with the approval of the commanding officer, may excuse all employees scheduled to work, with pay, for up to 3 workdays. Management has the discretion to identify the specific individuals who will be granted time off, and those who will be required to come to work. Examples of disruptions of normal operations might include:

(a) Inclement Weather which Prevents Outside Workers from Performing Work. In this event, management has the option of paying for the minimum 1 hour shift, and allowing employees to take annual leave, or leave without pay.

(b) Inclement Weather which Forces Closure of all, or Part of the Base, on which the NAFI is Located. In this event, the NAFI would follow the same rules as applied to APF employees on the base subject to approval by the head of the NAFI, and concurrence of the installation commander.

(c) Breakdown of equipment, or utility distribution systems, or fire, which forces closure of all, or part of the NAFI operation.

(2) Use of Annual Leave or Leave Without Pay. In arriving at a decision to close all or part of a NAFI, managers will provide for liberal use of annual leave if circumstances continue to prevent employees from returning to work at the end of 3 work days.

(3) Notification of Planned Closures. When, because of planned managerial reasons like renovations, the closing of all or part of a NAFI is required for short periods of time, employees shall be notified at least one work shift in advance and will be allowed to take annual leave, or leave without pay, as appropriate. Under these circumstances, if an employee is not notified one work shift in advance, the employee will be paid for the shift.

509. Military Leave

a. Temporary Active Duty for RFT Employees. RFT civilian employees who are members of Reserve Components of the Armed Forces of the U.S., including the National Guard, are entitled to excused absences up to a maximum of 15 calendar days per fiscal year without loss of pay, time, or performance rating, when called to active duty or active duty for training. (In other words, they get both their NAFI paycheck and their Reserve paycheck). Any part of this excused absence that is not used in any given fiscal year accumulates for use in succeeding fiscal years, not to exceed a 15-calendar day maximum carryover. Thus, an eligible employee could have a maximum of 30 days credit for use during a fiscal year.

b. Temporary Active Duty for RPT Employees. For RPT civilian employees, the rate at which leave accrues and is paid will be prorated based on the average number of hours the employee works in the week. Otherwise, the same rules apply as for RFT employees.

c. Call-up for Law Enforcement. RFT and RPT civilian employees, who are called to active duty for the purpose of providing military aid to enforce the law, may be granted additional military leave not to exceed 22 workdays in a calendar year. These employees will be granted leave upon presentation of competent orders. Compensation, other than a travel, transportation, or per diem allowance, received by an employee for such military services, will be credited against the pay for an employee with respect to his or her NAFI position for such period of military service. Military leave is to be granted only for workdays; the NAFI civilian pay of the employee will be reduced only by the amount received for military service performed on a workday. The NAFI civilian pay will not be reduced by any amount an individual may receive for days that are not workdays.

d. Other Reserve Military Duties. Leave without pay may be granted employees for the following other types of military service:

- (1) Summer training as members of Reserve Officers Training Corps.
- (2) Temporary Coast Guard Reserve duty.
- (3) Participation in parades by members of the State National Guard. (However, members of the National Guard in the District of Columbia are entitled to military leave with pay for participation in parades).
- (4) Training with a state guard or other state military organization.
- (5) Civil Air Patrol duty.

510. Military Furlough. Military furlough will be granted to a regular employee for induction, or recall to active duty in one of the U.S. Military Services. An employee returned to duty from military furlough will have the same seniority, status, pay, and annual leave accrual entitlement, that the employee would have enjoyed had he or she remained at work instead of being placed on furlough.

511. Leave Without Pay

a. Routine Circumstances. Leave without pay may be granted an employee who is receiving benefits under the Longshoremen's and Harbor Worker's Compensation Act, or for military service, for disability, or for other

reasons acceptable to and approved by the head of the NAFI. Upon request, such leave may be granted instead of annual or sick leave to an RFT or RPT employee. Normally, such leave will not be granted for a period exceeding 1 year.

b. Leave for Dependent NAF Employees upon Transfer of Military/Federal Civilian Sponsor. To assist employees in the transition process, up to 90 days leave without pay will be granted to dependent RFT and RPT NAF employees who are transferring with military, civilian Federal (APF or NAF), personnel. Such leave without pay may only be granted to eligible employees whose performance is rated satisfactory or better. Employees requesting this type of leave will use the standard form (SF-71). They are also required to complete Part E, block 2, of a SF-52 form listing a termination date effective the first day after completion of the 90 days leave without pay period. Upon request of the employee, extensions can be granted on a case-by-case basis.

512. Leave Documentation and Application

a. Use of SF-71. Application for all types of leave will be made using the SF-71. After the approving authority's determination as to the appropriate category to which to charge the leave, the SF-71 will be forwarded to, and retained by the payroll office.

b. Leave Record

(1) Normal Procedure. The NAVPERS 12630/2, NAF Employee Leave Record, may be used to maintain each employee's record of leave. The leave record is normally maintained in the employee's OPF. However, when payroll and personnel sections are separated, the command may authorize that leave records are maintained by either payroll or personnel sections. When leave records are maintained by payroll sections, these records should be forwarded to Personnel no later than 31 January each year, or upon the employee's transfer or termination, to be maintained as part of the employee's OPF.

(2) Exception to Normal Procedure. The provisions of the subparagraph above are waived when:

(a) A consolidated statement of accrued annual and sick leave is generated at the end of each pay period setting forth the accrued leave balances for all employees. This statement must be made available to each employee upon request.

BUPERSINST 5300.10
3 Dec 97

(b) By 31 January each year, a statement of the total amount of accrued annual and sick leave, as of the beginning of the leave year, is placed in the employee's OPF.

(c) In the event of termination or transfer from the NAFI, a record is made of the disposition of the final leave balances in the "Remarks" section of the PAR.

CHAPTER 6

EMPLOYEE RELATIONS

601. Labor-Management Relations Policy

a. General. Labor-management relations within MWR activities under the cognizance of BUPERS (Pers-65) are governed by chapter 71, Title 5, USC (Title VII, PL-95-454).

b. Prohibition on Strikes. It is a violation of Federal law for employees of a Federal instrumentality to participate in a strike against the Government of the U.S. Persons who assert the right to strike will not be employed. All NAF employees will be made aware of this prohibition, and required to sign an acknowledgment of their awareness, which will be made part of their record.

c. Appendix B contains detailed information concerning labor-management negotiations.

602. Employee Relations Policy (General)

a. Communications

(1) Continued and unimpeded communications are vital factors to an informed and productive work force. Management and employees should strive to build orderly and constructive working relationships to facilitate this process.

(2) Employees should be informed, insofar as possible, of plans and policies that effect them and their work. This includes (but is not limited to) a thorough understanding of conditions of employment, job requirements, employee rights, privileges, and responsibilities, of both management and employees.

(3) Employees should be encouraged to express themselves on, and participate to the fullest extent possible, improvements of work methods and working conditions.

b. Health and Safety

(1) Specific policy guidance on health and safety issues for NAF MWR activities are contained in BUPERSINST 5890.1.

(2) Employee working conditions will be made as safe and healthful as possible. All safety and health regulations will be strictly followed by NAF

employees and management in accordance with DODINST 6055.1. Where safety technicians are not available on the installation, outside consultants may be used.

(3) Effective safety practices will be established in conjunction with the overall safety program of the Naval activity on which the NAF activity is located.

(4) Employee complaints about working conditions related to health and safety issues will be carefully investigated. Action will be taken immediately to correct any unwarranted discrepancies.

c. Security. NAF employees will comply with all established security regulations. They will be advised of prohibitions on the use of cameras on the base, handling of classified information, and all other security precautions necessary in their work.

d. Employee Services Programs. NAF Employees will be included, to the fullest extent authorized by regulations, in the employee services programs at the command at which the NAF activity is located. This includes drug and alcohol abuse prevention programs per DOD Directive 1010.4. The local program director should make arrangements for employees to use civilian cafeterias and civilian recreation facilities, obtain vehicle and personal passes, use station parking, and provide other authorized services beneficial to employee morale.

e. Use of MWR Facilities and Programs

(1) NAF employees are authorized to use MWR facilities and participate in programs, if approved by the local commanding officer of the installation providing the MWR service. Access by NAF employees to MWR facilities and programs should not interfere with usage by regularly authorized patrons. DODINST 1015.2 contains specific guidance on authorized usage of MWR facilities.

(2) Employees are not permitted to consume alcoholic beverages during working hours.

(3) Employees working in a MWR program are not entitled to participate as a recipient of the services of that program during assigned working hours.

f. Use of Government Quarters and Facilities

(1) NAF employees are entitled to the same quarters and facilities authorizations as comparable civil service employees.

(2) NAF employees are generally expected to secure quarters from the private sector. There are three specific exceptions where government quarters may be provided:

(a) Quarters for employees recruited from the U.S. to work at overseas foreign installations.

(b) At isolated sites in rare circumstances where the only suitable quarters and facilities available are government owned.

(c) In very rare instances, where the presence of a key MWR staff member is essential to carrying out the mission of the installation. This determination can only be made by the commanding officer subject to prior written approval by the cognizant echelon II command.

(3) NAF employees are authorized temporary use of government quarters, if available, while traveling on official business.

603. Political Activity

a. Principles. The principles of Title 5, USC, 7324, relating to political activity of government employees have been extended to NAF employees. NAF employees will not use official authority or influence to interfere with an election, or attempt to affect its results. However, the Hatch Act Reform Amendments of 1993, Public Law 103-94, liberalized the extent to which the majority of Federal (and NAF) employees are permitted to engage in off-duty partisan political activities.

b. Employee Rights. Guidelines for Federal and NAF employees covered under the New Hatch Act Amendments follow:

(1) NAF employees may be candidates for public office in nonpartisan elections; register and vote as they choose; assist in voter registration drives; express opinions about candidates and issues; contribute money to political organizations; attend political fund-raising functions; attend and be active at political rallies and meetings; join and be an active member of a political party or club; sign nominating petitions; campaign for or against referendum questions, constitutional amendments or municipal ordinances; campaign for or against candidates in partisan elections; make campaign speeches for candidates in partisan elections; hold office in political clubs or parties and be delegates to party conventions; and distribute campaign literature in partisan elections.

(2) NAF employees may not use their official authority or influence to interfere with an election; solicit, accept or receive political

contributions, unless both individuals are members of the same federal labor organization or employees' organization, and the one solicited is not a subordinate employee; knowingly solicit or discourage the political activity of any person who has business before the agency; engage in political activity in any government office; engage in political activity while wearing an official uniform; engage in political activity while using a government vehicle; be candidates for public office in partisan elections, and may not wear political buttons on duty.

c. Investigating Violations

(1) A NAF employee, with knowledge of a violation of the regulations governing political activity, will immediately report it to the head of the NAFI. The local commanding officer should be notified if the violation involves the head of the NAFI.

(2) The head of the NAFI (or the commanding officer if the violation involves the local NAF activity head) will investigate all reports immediately. A written statement of findings and recommended disposition should be forwarded expeditiously through the chain of command within 30 days of the report of violation to BUPERS (Pers-65).

(3) BUPERS (Pers-65) will promptly forward the report to the Deputy Assistant Secretary of the Navy (Civilian Personnel Policy/Equal Employment Opportunity). SECNAV will make the final determination as to violations.

604. Fiduciary Responsibility. There is an individual fiduciary responsibility for properly using NAF resources and preventing waste, loss, or unauthorized use. This responsibility extends to all DOD personnel, including members of the Armed Forces and civilian employees paid with either APF or NAF. Under Chapter 147 of Title 10, USC, personnel who violate NAF regulations in management of funds are subject to the same penalties under Federal laws that govern the misuse of APF. Violations by personnel subject to the Uniform Code of Military Justice are punishable under section 892, article 92.

605. Standards of Conduct

a. The nature of many of the activities supported by NAF is such that the civilian employees and assigned military personnel must exemplify the highest standard of personal conduct and integrity.

b. The Standards of Conduct are rules designed to assist in maintaining this high level of integrity and foster public confidence in these Government

activities. DOD 5500.7-R, Joint Ethics Regulation (JER) and SECNAVINST 5370.2 provides these rules and are the regulations for all government APF and NAF employees.

c. Management must ensure that NAF employees are fully acquainted with these regulations upon employment and annually thereafter.

d. The basic principles of Standards of Conduct include the following:

(1) Public service is a public trust.

(2) Do not use public office for private gain.

(3) Do not extend preferential treatment.

(4) Do not bind the Government with unauthorized promises or commitments.

(5) Do not misuse Government resources or information.

(6) Disclose fraud, waste, and abuse.

e. Personnel are strongly encouraged to seek the advice of agency ethics officials located in the legal office, on the installation, whenever questions arise.

606. Loyalty to the U.S. Government. No person will be employed or continue to be employed in a NAF activity who advocates the overthrow of the U.S. Government; is a member of an organization that advocates the overthrow of the U.S. Government; or participates in any strike against the U.S. Government, including all instrumentalities of the U.S. Government.

607. Whistleblower Protection for NAF Employees and Applicants

a. Concerning protection against reprisals, DOD Directive 1401.3 provides policy and implements P.L. 98-94, DOD Authorization Act, 1984, section 1253 (10 USC 1587), which establishes protection against reprisals for certain NAFI civilian employees and applicants who have made protected disclosures. SECNAVINST 5370.7 further extends protection to NAF employees, or applicants, from reprisal for making, or preparing a complaint, which he or she reasonably believes evidences a violation of law or regulation, mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety to a Member of Congress, Inspector General, or member of a DOD audit, inspection, investigation, or law enforcement organization.

BUPERSINST 5300.10
3 Dec 97

b. No government employee or military member may take or threaten to take an unfavorable personnel action, or withhold or threaten to withhold a favorable personnel action, in reprisal for any NAF employee or applicant who exercises his or her right to report any misconduct, fraud, waste or abuse which they observe or know about.

c. If any unfavorable action is taken against a NAF employee or applicant for the exercise of these rights, the offended employee may file a complaint with the Naval Inspector General, or the DOD Inspector General. Every commanding officer is required to publicize the procedure for filing a complaint.

d. DOD Directive 7050.1, "Defense Hotline Program" May 20, 1987, established the DOD Hotline for reporting fraud or mismanagement. Complaints may be filed by telephone (800) 424-9098 or (202) 693-5080 or addressed to the following:

Department of Defense Hot Line
The Pentagon
Washington, D.C. 20301-1900

e. The Navy Inspector General can be reached at 202-433-6743 or addressed at:

Office of The Naval Inspector General
Attn: Hot Line
901 M St. SE
Washington, D.C. 20374-5006

608. Disciplinary Action. Heads of NAFI activities will establish consistent procedures for effecting disciplinary actions against all employees. These procedures must include:

a. Letters of Reprimand and suspensions for 30 calendar days or less:

(1) Written notice of decision which specifies the reasons for the action.

(2) Opportunity to grieve the action.

b. Demotions, terminations, and suspensions, for more than 30 calendar days:

(1) Not less than 14 calendar days advance written notice specifying the reasons for the proposed action.

(2) The employee must have an opportunity to reply to the proposed action. The reply must be made to the official who is to decide the action, or that official's designee. If an oral reply is permitted, a summary of any oral reply will be made and appended to the official record.

(3) The employee must have an opportunity to review all evidence relied upon to support the reasons for the proposal.

(4) A right to representation by a person of the employee's own choice, subject to the willingness of the chosen person to serve, no conflict of interest or position, and the priority needs of the NAFI. Any fees charged by the employee's representative are the responsibility of the employee.

(5) Assurance that the employee and representative will be free from restraint, coercion, discrimination, or reprisal.

(6) Written decision of disciplinary action which:

(a) Is delivered to the employee in advance of the effective date of the disciplinary action.

(b) Identifies which reasons were sustained and which were not sustained.

(c) Explains the rationale for the decision.

(d) Specifies the employee's right of appeal, how such appeal is to be filed, and the time limits for submission of an appeal.

(7) A written decision may not increase the penalty proposed in the advance notice.

c. An employee may be placed on emergency suspension without pay, pending disciplinary action, when retention of the employee might result in damage to or loss of property or funds, might be injurious to the employee or others, might be detrimental to the interests of the NAFI, or when there are justifiable reasons to believe that the employee is guilty of a crime for which a prison sentence may be imposed. In such cases, the employee will be provided at least 24 hours' advance notice, in a pay status, of the emergency suspension. If the final disciplinary action taken on an employee so suspended is less than removal, the employee will be paid for the time so suspended, less any loss of pay required by the disciplinary action. An emergency suspension without pay, which extends for 30 calendar days or less, may be grieved; one which extends for more than 30 calendar days may be appealed.

d. The following guidelines are provided for BUPERS NAFIs and must be applied equitably throughout all BUPERS NAFIs.

(1) Disciplinary actions are those actions taken by management in response to an employee's unacceptable conduct or behavior. Such actions are placed into one of two categories. Basic disciplinary actions are those which include an oral admonishment, written reprimand, or a suspension of 30 days or less. Severe disciplinary actions are those which include suspensions of more than 30 days, demotion for cause (to a lower grade for non-pay band employees, or from a higher to a lower pay band/level for pay band employees), decrease in base pay, and termination.

(2) Disciplinary actions do not include BBAs, actions taken as a result of termination of temporary promotion, a separation or change to lower grade or pay band/level of an employee when employee initiated, reduction in pay due to application of a revised prevailing rate schedule when there is no change to the position, and actions taken as a result of an employee abandoning his or her position.

e. Flexible employees with more than 3 years employment and probationary employees may be terminated with 7 calendar days written notice.

f. Appendix C provides detailed information concerning disciplinary action procedures.

609. Business Based Actions (BBA)

a. Definition. A BBA is a reduction in an employment category or pay rate, a furlough of 8 calendar days or more, or separation action initiated by management for non-disciplinary reasons. A BBA is used to adjust resources in response to changes in business revenue, budget, workload, organization, or mission. It is not used to address a performance or conduct deficiency. Employees are affected by BBAs only if so identified after an objective, fair and equitable ranking against other employees in the same employment category and group of affected positions.

b. Coverage. The following provisions cover regular employees, and those flexible employees who have been on the rolls of the NAF activity effecting the BBA for 3 continuous years (except flexible employees are not covered where they are furloughed, nor do they have a right to the third stage of the appeal process, i.e., appeal above the base level). Excluded from coverage are employees currently serving probationary periods, employees with less than satisfactory performance ratings, and flexible employees who have been on the rolls of the NAF activity effecting the BBA less than 3 continuous years.

c. Types of BBAs

(1) Reduction in Pay Rate. Such actions could result from reorganization, realignment of a workload, elimination of duties or responsibilities from a position, lack of funds, or from a need to be competitive with pay in other organizations, or the local labor market.

(2) Furlough. Furlough of a regular employee (flexible employees are excluded) for 8 calendar days or more (a temporary layoff for a definite or indefinite period of time).

(3) Change in an employment category.

(4) Separation

d. Factors to Consider before Resorting to BBA. Careful planning is necessary to lessen adverse effects, prepare employees, and to avoid administrative and morale problems. It is important to consider whether the cause of the reduction or realignment is a temporary or permanent situation along with each of the various actions that may be taken. For example, a reduction in hours of work, a reduction in pay rate, or a furlough, may be more appropriate than separation.

e. BBA Procedures

(1) Determining Affected Employees

(a) Covered employees must be ranked to determine the order in which they will be affected (unless all employees will be equally affected, separation due to base closure, for example). The ranking process must include performance and seniority. Performance will be the primary criterion. The performance factor must include at least the employee's last two performance ratings. If there is only one rating, then it must be used. If there is no rating, then a rating must be issued and used.

(b) The determination of the order in which employees were adversely affected, the process used to determine the order, and copies of the written notices will be maintained in a separate BBA file apart from the employee's OPF. Subject to the provisions of the Privacy Act of 1974, the BBA file will be made available for review upon request only by an affected employee, or by those whose official duties require access.

(c) Prior to issuance of required individual BBA notices to competing employees, management is required to provide a written general

notification to employees in affected competitive areas. This notice will be a written notice and contain the reason(s) for the planned actions(s), the nature of the BBA, the projected effective date of such actions, titles, series, grades/pay band and employment category of the positions involved in the planned actions, and other pertinent data. Placement of such notice on official bulletin boards will suffice to meet this requirement. Management may, however, use other avenues to announce impending BBA actions such as employee newsletters, etc. Irrespective of the means used, management must assure that employees in competitive areas to be impacted by planned BBAs are provided advance notice of at least 1 calendar day before BBA notices are issued.

(2) Advance Notice. The minimum advance notice for regular nonprobationary employees is 7 calendar days for an action other than separation and 30 calendar days for separation. For covered flexible employees with 3 or more years in the NAFL, the minimum advance notice period is 24 hours for nonseparation action and 7 calendar days for separation. For regular probationary employees, the minimum advance notice period is 24 hours for nonseparation action and 7 calendar days for separation. For flexible employees with less than 3 years in the NAFL, and employees with current performance rating of less than satisfactory, the minimum advance notice period is 4 hours for nonseparation action and 24 hours for separation. Under emergency conditions (e.g., a breakdown of equipment or other emergency conditions requiring suspension of operations, or an unanticipated reduction in business such as occurs with a sudden deployment of military personnel), a minimum of 24 hours notice may be given. The notice will contain:

(a) The employee's position title, series, grade or pay band, and rate of pay.

(b) A description of the BBA and reason for it.

(c) Advice on severance pay entitlement, if applicable.

(d) Advice on loss of benefits, if applicable.

(e) If the action is separation:

1. A statement that the action taken is non-disciplinary and does not preclude reemployment.

2. Information on the re-employment priority list (RPL).

3. Information on eligibility for civil service positions for 1 year from date of separation, under terms of the DOD/OPM Interchange Agreement.

4. Information on unemployment compensation.

5. Information on other benefits, as applicable.

(f) An explanation of the employee's right to appeal.

(3) Appeals of BBAs

(a) General. Nonprobationary and flexible employees with more than 3 years of creditable service have a right to appeal within 7 calendar days after the effective date of the BBA, if they believe BBA regulations and procedures were not properly applied. Management decisions regarding the budget, workload, organization and mission, are reserved to management and is not appealable. If an employee alleges that the action resulted from an act of discrimination, the action may only be contested through the discrimination complaint procedure.

1. A decision in favor of an employee entails the requirement that the employee be "made whole." This includes pay and restoration to duty including employment rights and benefits, as applicable. If, however, it is clear the same action would have been taken against the employee even if the regulatory or procedural error had not been made, then there is no "made whole" provision.

(b) Representation. An employee may be accompanied, represented, and advised by a representative of his or her own choosing, provided the person is willing and free to do so. The employee will designate his or her representative in writing, and provide the designation to the first stage deciding official. The representative's service must not result in a conflict of interest as determined by the installation commander. All costs for the representative will be borne by the employee.

(4) Grievance Rights. Probational and flexible employees with less than 3 years of service may grieve BBAs; and such actions may only be grieved on the ground of procedural error (except BBA - pay decrease action). Employees will file such grievances to the program director. The effective date of a BBA is not delayed while awaiting the commanding officer's decision on submitted BBA grievances.

(5) The employee has no right to a hearing during a BBA appeal process.

f. A pamphlet entitled "Pertinent Information for Involuntarily Separated BUPERS NAF Employees" is available from BUPERS (Pers-653). A copy of this pamphlet should be provided to each employee affected by a BBA.

g. Appendix D provides additional details concerning the BBA process.

610. Grievance Procedure

a. Applicability. This section applies to all NAF MWR employees whose positions are not covered by a Navy recognized negotiated agreement. Incumbents of positions covered under a negotiated agreement must use the grievance process specified within such agreement.

b. Explanation of Terms

(1) Grievance. A request by an employee, or his or her representative of choosing, for personal relief from matters of concern or dissatisfaction that are subject to the control of management, and are not otherwise excluded from the grievance procedure.

(2) Employee. Means current on board NAF employees.

(3) Days. Means calendar days.

c. Exclusions

(1) Matters accepted by the Inspector General for investigation.

(2) Any matter which is subject to final administrative review above the local installation command level, and any matter over which the installation commander does not have control, or authority to change.

(3) Allegations of discrimination based on race, age, color, religion, sex, disability, or national origin.

(4) The content of published policy.

(5) An action terminating a probationary employee for cause.

(6) Nonadoption of a suggestion or disapproval of any type of discretionary award.

(7) The granting or not granting of pay increases (pay adjustments under the pay banding system).

(8) A proposed action, notice of warning or caution, or any other prospective discretionary management action.

(9) Any action for which another adjudicatory or appeal procedure exists.

(10) Allegations where no form of personal relief to the employee is appropriate.

(11) Management's right to reorganize and resultant new organizational structure.

(12) Reassignment to a position at the same pay rate. (This means reassignment to another position within the same pay band and without loss of pay).

d. Right to Grieve. All employees have the right to present his or her complaints and grievances to management officials for prompt and equitable consideration.

e. Representation

(1) The employee may be accompanied, represented, or advised, by a representative of his or her own choosing. The representative's service must not result in a conflict, or apparent conflict of interest, with the priority needs of the Navy, or cause unreasonable cost to the MWR activity. Members of the activity's legal staff, or members of the personnel staff, are not allowed to act as employee representatives.

(2) The employee and his or her designated representative will be free from constraint, coercion, discrimination or reprisal stemming from the presentation of the grievance.

(3) The employee and his or her designated representative may use reasonable amounts of official time, subject to supervisory approval, to present a grievance. No employer resources, such as typing assistance or supplies, may be used.

(4) A grievance will be canceled: (1) At the employee's request; or (2) if the grievant resigns before a decision is reached and no question of pay or other relief that could be granted is involved, or fails to meet stated deadlines; or (3) if full remedy is granted; or (4) if requested additional information from the grievant is not provided.

f. The Administrative Grievance Process. Appendix E contains detailed procedures concerning the administrative grievance process.

Chapter 7

RETIREMENT AND INSURANCE

701. Background. Retirement and insurance benefits for NAFIs under the cognizance of BUPERS (Pers-65) are administered in accordance with the requirements of this instruction, except in the event of a conflict with the official plan documents for a particular benefit program. In this case, the official plan document prevails.

a. Retirement and insurance benefits plans have been developed to provide financial protection for employees and their dependents. The plans include life insurance, accidental death and dismemberment, disability insurance, comprehensive health insurance, worker's compensation, retirement and savings, and investment. Participation in all plans (except Workers and Unemployment Compensation) is voluntary for eligible employees and a portion of the cost is borne by the employee. Workers and Unemployment Compensation benefits are provided automatically at employer expense to all eligible employees.

b. Brochures, containing cost and other specific information, should be provided by NAFI management to eligible and participating employees. These brochures are updated as changes occur and may be obtained by contacting BUPERS (Pers-653).

702. Retirement

a. Retirement coverage. BUPERS (Pers-65) provides a retirement plan for eligible employees. Retirement benefit payments under this plan are integrated with social security benefits.

b. Definition of Eligible Employee for Retirement Plan Purposes. All RFT and RPT employees who work a minimum of 20 hours or more a week. At NAFIs outside the U.S. or its Territories, participation is further limited to U.S. citizens.

c. Voluntary Participation. Employee participation in the retirement plan is voluntary. The cost of the plan is shared by the employee and the employer. The employee cost is 1 percent of pay.

(1) New hire eligible employees may participate in the retirement plan after they have been employed for 1 continuous year. Deductions for employee contributions will begin after completion of this 1 year waiting period. Eligible employees will receive retroactive credit for this 1 year waiting period at no cost if they enroll within 31 days of completion of their first year.

BUPERSINST 5300.10
3 Dec 97

(2) Employees who have a break in service of 30 days or more must start another 1 year waiting period. Employees who transfer between DOD NAFIs without a break in service do not have to serve another waiting period.

(3) Employees who become eligible to join the retirement plan because of an employment category change to either RFT or RPT status will be processed as new hires for retirement purposes as of the date their category changed. Employees in these circumstances, who have previous credited retirement service, will retain that prior credit subject to all employee contributions having been made.

(4) An eligible employee may initially join the retirement plan at any time after completion of the 1 year continuous service. Deductions for payroll purposes commence the first day of the first pay period after date of signature, and coverage would commence effective that date. However, no retroactive credit will be given.

(5) Flexible employees with 3 plus years of service whose status is changed to regular can join the retirement plan within 31 days of their status change.

d. Credited Service. For retirement plan purposes, the following definitions apply.

(1) Continuous Service. The period an individual is employed, without a break in service in a DOD NAFI, if not presently retired from another NAFI.

(2) Credited Service. The period an eligible employee is a participant in any DOD NAFI retirement plan, if not previously retired from another NAFI.

(3) Additions to Credited Service. After attaining eligibility for an annuity, the following will be added to arrive at total credited NAFI service for computing the amount of an annuity.

(a) Unused sick leave in the employee's accrued sick leave account at retirement will be added to credited service to determine total credited service, if the employee applies for immediate retirement.

(b) Employees in an authorized leave without pay status, because of honorable active U.S. military service, remain in a "continuous service" status not to exceed 5 years. This provision only applies if the employee returns to employment with the same NAFI or another NAFI under BUPERS (Pers-65) cognizance within the period prescribed by Title 38, USC. Duplicate NAFI service credits will not be granted for the same period of time.

e. Retirement Eligibility. To be eligible for a normal full benefit retirement annuity, an employee must be at least age 62 and have 5 years of continuous service.

(1) Normal retirement occurs on the first day of the month coincident with, or next following the date upon which the employee reaches age 62.

(2) An employee may voluntarily retire early with benefits reduced by a factor of 4 percent per year (1/3 percent per month) within the 10-year period prior to age 62, if the employee has completed 5 years of continuous service.

(3) Employees who are age 55 with 30 years of continuous service, or employees age 60 with 20 years of continuous service, may retire with a retirement annuity unreduced for age.

(4) Employees may continue to make contributions and earn benefits beyond age 65 until they retire.

f. Amount of Annuity at Normal (Age 62) or Optional Later Retirement

(1) The retirement annuity payable to an employee commencing at his or her normal, or later retirement date, will be the amount of the annuity formula reduced by the social security offset.

(2) The formula is based on the employee's years and months of plan service, the employee's high 3 years average earnings, and the amount of the social security pension to which the employee is entitled at age 62. (A more detailed explanation with examples is provided in the plan brochure that is provided to participating employees.)

g. Retention of Pension Rights. When a RFT employee transfers from another DOD NAFI which has a retirement plan that is different from the BUPERS (Pers-65) plan, the annuity will be computed using combined regular RFT or RPT NAFI service credited for retirement computation purposes.

h. Types of Annuity. The employee's monthly annuity is paid in monthly installments after retirement. There are several options in regard to the type of annuity to choose to suit an individual's retirement needs. Employees should be encouraged to consider these choices very carefully because they are irrevocable after retirement.

(1) The Single Life Pension. Under this option, an employee receives a full early or normal retirement annuity for life. When the employee dies,

payments stop. The beneficiary is only entitled to the employee's remaining contributions and interest.

(2) Spouse Pension. Under this alternative, a retiring employee who is married when pension payment's start can elect to take a 10 percent reduction in the monthly pension. In return, the employee's surviving spouse would be entitled to 55 percent of the amount of the regular pension if the employee dies. Payments will continue over the lifetime of the surviving spouse unless that spouse remarries before reaching age 60.

(3) Survivor Pension. This option for employees allows the employee to name a beneficiary and is very similar to the spouse pension described above. The only difference is that the amount of the employee's regular pension and the amount paid to a beneficiary will depend on the difference in the ages between the employee and beneficiary.

(4) Guaranteed Pension for 10 Years Certain. This option pays a slightly reduced pension to an employee for the rest of their lives. If they die before getting benefits for the 10 years guaranteed, the same monthly benefit will be paid to the beneficiary for the rest of the guaranteed period. If the employee lives longer than the guaranteed period, their benefit will not stop, but no benefits will be payable to a beneficiary after the employee dies.

(5) Social Security Level Pension. Employees retiring before age 62 can have their pension adjusted so that they will receive a higher monthly benefit until they reach age 62 and start receiving social security benefits. Once social security benefits begin, BUPERS (Pers-65) monthly benefits will be reduced to include the social security offset. This option keeps total retirement income about the same throughout retirement, but will result in a smaller retirement payment after age 62 since the money has been paid up front.

i. Payment of Small Pension. The BUPERS (Pers-65) retirement plans offers a special provision for employees whose retirement monthly pension is \$50 or less a month or \$600 a year.

(1) If the employee elects an annuity without a survivor benefit, the following applies:

(a) If the monthly benefit is between \$20 and \$50, the employee can elect either a lump sum, or a monthly benefit. A lump sum payment is determined by actuarial equivalent of the monthly benefit based on age and life expectancy.

(b) If the monthly benefit is less than \$20, the employee will receive a lump sum payment automatically.

(c) If the monthly benefit is \$50 or more, the employee will not receive a lump sum payment.

(2) If the employee elects a payment with a surviving benefit, the following applies:

(a) If the employee's monthly payment is between \$20 and \$50, the employee will get a monthly benefit automatically.

(b) If the employee's monthly benefit is \$20 or more before the survivor's reduction, but falls below the \$20 afterwards, payments will be made monthly.

(c) If the employee's monthly benefit is below \$20 before the survivor's reduction, the employee will get a lump sum automatically.

j. Death Benefits. Death benefits under the retirement plan are provided for BUPERS retirement participants under one of the three following alternatives.

(1) A surviving spouse annuity is payable upon the death of an employee who is currently employed and contributing to the retirement plan if:

(a) They have at least 18 months of service.

(b) Have been married for a year or more.

(c) Named the spouse as the sole beneficiary.

(2) A survivor annuity is payable upon the death of a retired employee who was receiving an annuity benefit and who designated an eligible survivor to receive annuity payments.

(3) A refund of the employee's contributions plus interest, if applicable.

k. Disability in Relation to the Retirement Plan. Employees who become disabled may also qualify for a retirement pension. If the employee elects to retire, payments under the Disability Plan will be offset by any payment received from the retirement plan. The following options are available:

(1) If the employee is eligible for normal retirement, the employee can elect to start getting a full pension as soon as disability starts.

(2) Employees who are not eligible for normal full retirement, but have at least 5 years of BUPERS NAF service, can elect a reduced pension starting as early as age 52.

(3) Employees with fewer than 5 years of BUPERS service can elect a lump sum payment of contributions plus any interest.

1. Termination of Employment or Change in Employment Status. The following options are available to employees when, for any reason other than death, their employment is terminated prior to their normal or early retirement date, or employment status is changed so that they are ineligible to continue to participate in the retirement plan.

(1) Option A. An employee may have all his or her contributions returned. In addition, if the employee has been employed and contributed to the plan for 3 full years, he or she will receive interest on these contributions. No interest is payable for an employee who terminates before completing 3 full years of credited service.

(2) Option B. When an employee has completed more than 5 years of credited service, the employee may elect to leave his/her contributions in the plan, and later when eligible, receive an annuity commencing on his/her normal retirement date or his or her early retirement date commencing at age 52.

m. Coordination with other Benefits. Retirement or disability benefits will be offset by the amount of workers compensation benefits payable. Any worker's compensation income received by a survivor annuitant derived from "on the job" incurred disease or injury to the employee will also be used as an offset against the survivors' annuity payable under the retirement plan.

n. DOD Portability Program in relation to BUPERS Retirement

(1) The Portability of Benefits for NAF Employees Act of 1990 gives vested employees who move between GS and NAF in DOD an election to remain in the retirement system of the losing employment system. This election is irrevocable. Therefore, regardless of any future moves between NAF and civil service employment, in or out of DOD, breaks in service, or retirement status, the employee's retirement coverage would remain with the plan in which the employee elected to retain membership.

(2) If the employee does not elect to retain coverage in the retirement plan of the losing employment system, the employee may elect to join the BUPERS (Pers-65) retirement system without transfer of losing plan service credit. This means that the service computation date for the BUPERS (Pers-65) Retirement Plan will be the date the employee joins the BUPERS

(Pers-65) plan unless the employee has previous BUPERS NAF retirement credited service.

703. Disability Plan. BUPERS (Pers-65) offers a disability plan that works with sick leave, social security, and workers compensation to provide income protection for employees for non-occupational disabilities.

a. Eligibility

(1) All RFT NAF employees scheduled to work at least 35 hours a week who work in the U.S., or a U.S. citizen working overseas, who elect coverage and pay the required premium.

(2) If an employee is changed from RFT to RPT or flexible time, and the employee is scheduled to be on duty regularly not less than 40 hours per pay period, and he or she has been in the life, medical, or disability plan for at least 1 year, he or she may continue in the life, medical or disability benefit plans.

b. Enrollment Requirement. An eligible employee may enroll in the plan without providing proof of good health during the first 31 days after eligibility. Enrollment opportunities after this period are very limited and subject to completion of evidence of insurability and approval by the servicing insurance administrator.

704. Workers' Compensation Benefits. BUPERS (Pers-65) is responsible for providing, among other risk management programs, worldwide workers' compensation insurance for NAF employees of specified NAFIs. A detailed explanation of workers compensation procedures and policies are contained in BUPERSINST 5890.1.

705. Unemployment Compensation Benefits. BUPERS (Pers-65) provides unemployment compensation coverage for NAF employees of NAFIs under its cognizance. The unemployment compensation program is administered by individual State unemployment offices.

706. Group Insurance Benefits. BUPERS (Pers-65) provides a comprehensive group insurance benefit program which includes life insurance, accidental death and dismemberment, comprehensive medical and life, and medical benefits for active and eligible retired employees.

a. Eligibility. RFT (35 hours or more a week) NAF employees of NAFIs under the cognizance of BUPERS (Pers-65). NAF employees of civilian NAFIs are also eligible if participation is specifically approved by BUPERS (Pers-65).

3 Dec 97

(1) If an employee is changed from RFT to RPT or to flexible, and the employee is scheduled to be on duty regularly not less than 40 hours per pay period, and he or she has been in the life, medical, or disability plan for at least 1 year, he or she may continue in the life, medical or disability benefit plans.

(2) Upon reinstatement or reemployment within 1 year by a NAFI under the cognizance of BUPERS (Pers-65), RFT NAF personnel desiring participation must complete a new application card for Group Life and Health Plans. If rehired after 1 year, the employee must satisfy the eligibility requirement the same as a new employee. If previously enrolled and paid up in the disability program and rehired within 1 year, no further contributions are required of reinstated employees. For guidance concerning the retirement plan, for reinstated/reemployed employees, contact BUPERS (Pers-653) for details.

b. Enrollment Requirement. Participation is voluntary and the employee must pay a portion of the cost as set by BUPERS (Pers-65). Deductions will be effective the first day of the first pay period after date of enrollment. Eligible employees must enroll within 31 days of eligibility. Any enrollments after the initial eligibility period require completion of evidence of insurability forms and approval by the servicing insurance company, and will be only during open enrollment.

c. Life Insurance Program. BUPERS (Pers-65) offers three types of coverage.

(1) Basic life insurance. This coverage pays a death benefit equal to an employee's basic annual earnings, rounded to the next higher \$1,000 plus \$2,000.

(2) Optional Life insurance. This coverage pays additional benefits equal to one or two times an employee's basic annual earnings.

(3) Accidental death and dismemberment (AD&D) insurance. This coverage doubles the amount of an employee's insurance benefits if the employee dies or is seriously injured in an accident.

(4) Life insurance coverage will continue for 12 months if an employee can't work because of illness/injury, or is on approved leave of absence without pay and the employee continues to pay his or her share of the premium.

707. Medical Program

a. Eligibility. Employees must be scheduled to work 35 or more hours per week.

(1) If an employee is changed from RFT to RPT or to flexible time, and the employee is scheduled to be on duty regularly not less than 40 hours per pay period, and he or she has been in the life, medical or disability plan for at least 1 year, he or she may continue in the life, medical or disability benefit plans, as long as he or she continues to make the normal employee contribution.

b. Comprehensive Medical Benefits Program. This plan covers medical expenses of eligible employees and their eligible dependents which result from serious or prolonged disabilities as well as from ordinary injuries or diseases. Benefits will be payable for hospital expenses as well as medical expenses. This program covers a wide range of medical services. BUPERS (Pers-653) Benefit Program booklets contain detailed information.

c. Health Maintenance Organization (HMOs). At many locations, BUPERS also offers HMOs as an additional option for a medical plan. Information on these plans is provided in plan brochures that should be made available to employees.

d. Consolidated Omnibus Budget Reconciliation Act (COBRA) Continuation. An additional benefit of the BUPERS (Pers-65) Health Plan is that medical coverage is extended for participating employees and their covered dependents after they leave a BUPERS NAFI. Coverage is provided under the following considerations:

(1) The employee pays full cost (both employee and employer) of COBRA. Current rates may be obtained from BUPERS (Pers-653).

(2) All employees participating in the current Health Plan are eligible. However, if the employee has coverage under CHAMPUS or any other group insurance, they are not eligible to elect the COBRA continuation.

(3) COBRA continuation will normally last up to 18 months. For other conditions, see the BUPERS (Pers-653) Benefits Booklets.

708. Savings and Investment Plan. This plan is a voluntary long term savings and investment plan that should be viewed as a supplement to the retirement plan. This plan allows employees to save from 1 percent to 15 percent of their pretax salary. This plan reduces the employee's taxable income and lowers the employee's income taxes. This money is invested in investment funds and is tax sheltered until the employee reaches 59 ½ years of age, or the employee terminates employment.

a. Eligibility. All RFT or RPT NAF employees who work a minimum of 20 hours a week and who have been employed for at least 12 consecutive months.

(1) If an employee is changed from RFT or RPT to flexible time, and he or she is scheduled to be on duty regularly not less than 40 hours per pay period, he or she may continue in the retirement or the savings and investment plan.

b. Enrollment. Enrollment in the plan is allowed during an open announced period effective the first pay period in January, April, July, and October.

c. Change in Enrollment. A participating employee can increase or decrease the amount of current contributions. Changes become effective on the date specified during any open enrollment period. A participating employee may stop saving at any time and start again at the beginning of any quarter. There is no withdrawal of contributions until employment with the NAFI has terminated.

d. Savings Investment. Participating employees can change their investment election at any time.

e. Withdrawals. Employees may withdraw money from their account when they reach 59 ½ years of age, retire, become disabled, or leave a BUPERS NAFI for any other reason.

(1) Each employee's account is valued at the end of the calendar quarter. The lump sum balance at the end of a quarter will not be paid until 60 days after that date when an employee terminates employment for any reason.

(2) If an employee withdraws his or her contributions upon termination of employment, prior to age 59 ½, BUPERS (Pers-65) will automatically take a 20 percent mandatory Federal tax withholding on these contributions unless the employee elects a direct rollover to another tax deferred account. The employee may also have to pay a 10 percent excise tax on any lump sum payment received.

(3) An employee may not withdraw contributions from the plan while still employed, except for severe hardship reasons subject to approval by the plan's trustees.

709. Retiree Group Insurance Benefits. In addition to the group insurance plans mentioned above, an employee may be eligible for benefits under the BUPERS (Pers-65) Health and Life Insurance Plans after retirement based on a combination of age and length of service. BUPERS (Pers-65) will provide this coverage at no cost to retirees.

a. Retired Medical

<u>Age</u>	<u>Years of NAF Service</u>	<u>Consecutive Years in Plan</u>
62	5	5
60 or 61	20	15
55-59	30	15

Retiree coverage will be the same as that provided to active employees and will change if the active coverage changes. It will continue until the retiree reaches age 65, at which time the retiree will be eligible for Medicare. Should the retiree's dependent(s) reaches age 65 before the retiree, coverage for that person will stop.

b. Retired Life Insurance. Retiree life insurance coverage will continue when the employee has been in the life insurance plan for 5 consecutive years, is age 52 or older when retired from BUPERS NAF service, and gets a monthly pension from the BUPERS (Pers-65) Retirement Plan.

(1) The amount of retiree life insurance coverage depends on when the employee retires as an active BUPERS NAF employee, and how long the employee is in the plan immediately prior to retirement.

(a) If the employee has been in the plan for at least 15 years and retires at age 62 or older, the retirees' life insurance coverage will continue in full until the retiree reaches age 66. After age 66, coverage will be reduced 25 percent a year until it equals 25 percent of the original coverage amount.

(b) If the employee has been in the plan for at least 5 years and retires at age 62 or later, the retirees' life insurance coverage will equal 25 percent of the amount the employee has just before retirement, subject to a \$2000.00 minimum and a \$10,000 maximum.

(c) If an employee defers his or her annuity benefit until a later date, the retiree will not be eligible for life insurance coverage.

710. Open Enrollment Period. Employees who initially decline to enroll for medical or life group insurance benefits are given an opportunity to enroll during an annual "open enrollment" period, which occurs in November each year. Employees electing to enroll during the open enrollment period may be required to submit a statement of physical condition. Upon approval, coverage and deductions will be effective the first pay period after 1 January of each year.

711. Prohibitions

a. Employee Contributions Required. The group insurance and retirement benefit plans are offered to employees on a voluntary, contributory basis and the rates are set centrally. Thus, payment by any BUPERS NAFI of the employee's contribution is prohibited.

b. Participation in Other Plans. Local NAFI participation in labor organization, or other local group employee benefits in lieu of the plans offered by BUPERS (Pers-65), is prohibited.

712. Benefit Participation for Off-duty, Military Personnel

a. Since off-duty, military personnel are not permitted to work more than 34 hours per week at any BUPERS NAFI, they are not eligible to participate in the Group Life or Health Insurance Plans.

b. Off-duty, military personnel who are classified as RPT, and work a minimum of 20 hours a week, may participate in the retirement and savings and investment plans.

713. Portability. Employees who convert from NAF to GS, and elect to remain in the NAF retirement system, must elect to participate in the GS retired medical and life programs upon retirement. They will not be eligible for BUPERS NAF retired life and medical coverage. Employees who convert from GS to NAF, and elect to retain the GS retirement system, may be eligible for the BUPERS NAF medical and life insurance program if they meet the eligibility described in paragraph 707. Appendix F contains detailed information concerning portability between NAF and GS systems.

CHAPTER 8

EMPLOYMENT IN OVERSEAS LOCATIONS

801. Background

a. Employment of civilian U.S. citizens and their dependents in BUPERS NAFIs in foreign areas will be handled in accordance with this instruction, and applicable DOD and State Department regulations.

b. DOD and Navy policies and laws governing employment practices for NAF personnel in the Continental U.S. (CONUS) basically apply overseas to U.S. citizens and U.S. nationals, and are consistent with existing treaties or agreements with host countries. The employment conditions for locally hired non-U.S. citizen employees will be based on customs and practices in the areas and provisions of the country-to-country agreements. The NAF personnel policies developed in any one area will apply uniformly to all NAF elements of the U.S. Forces in the same area.

c. DOD Directive 1400.6, DOD Instruction 1400.10, and DOD 1400.25-M, which prescribes the policies currently governing civilian personnel employed by DOD Components in CONUS and overseas, have been administratively extended to NAF employees.

d. No MWR organization will cause any actual or potential liability to APFs by reason of employment of NAF personnel or use by such employees of non-U.S. Government facilities in foreign areas except as authorized by DOD Directive 1015.6, or as otherwise specifically authorized by regulations and procedures approved by the Secretary of Navy or designee.

e. APF logistical or administrative support of NAF employees in foreign areas will be on a reimbursable basis except where exempted by the provisions of DOD Directive 1015.6, or otherwise specifically exempted.

802. Employment of Non-U.S. Citizen Off-duty Enlisted Military Personnel.

Wages for a non-U.S. citizen enlisted military personnel, employed in a civilian capacity during off-duty hours by NAFIs, will be the same as their U.S. citizen counterpart. Wages for non-U.S. citizen dependent employees will be those established by cognizant overseas area commanders (CINCLANTFLT, CINCPACFLT, and CINCUSNAVEUR).

803. Employment of Non-U.S. Citizens. The employment of non-U.S. citizens by Armed Forces overseas is covered by DOD Instruction 1400.10. The instruction supplements DOD Directive 1400.6, which is the basic DOD policy governing civilian personnel of the DOD in overseas areas.

a. Local Nationals. The employment conditions for locally hired non-U.S. citizen employees will be based on customs and practices in the areas and provisions of the country-to-country agreements. The NAF personnel policies developed in any one area will apply uniformly to all NAF elements of the U.S. Forces in the same area with the basic management needs of the U.S. Forces. Local laws and customs will be followed in the employment and administration of local nationals to the extent that such laws and customs are compatible.

b. Third (Other) Country Nationals. The importation of workers from another country by a NAFI will only be made when personnel requirements cannot be met by local hire. When it becomes necessary to do so, arrangements should be made with the host government to permit importation of workers who are acceptable to the host country.

c. Resident Aliens. Resident aliens will be employed in accordance with agreements made with the host country.

804. U.S. Citizens Recruited in the U.S.

a. When it has been determined that local nationals, U.S. citizens, or U.S. nationals residing in the host country do not possess the necessary training or experience for a particular NAF position, civilian personnel may be recruited from the U.S. to fill these positions. In general, such personnel will be limited to key management or supervisory positions, and those positions regarded as essential for security reasons.

b. Rates of pay for U.S. citizen NAF employees, who are compensated under the NR-4-6 Salary Plan and who are recruited in the U.S. and its territories and possessions for overseas assignments, will be fixed in conformity with rates paid for work of a comparable level, difficulty, and responsibility, to that of NAF employees in the U.S.

805. Allowances and Differentials

a. Authorization. Subject to pre-employment negotiation, allowances and differentials for U.S. citizen/U.S. national employees in foreign areas may be authorized.

b. Controls. Allowances and differentials will be provided in accordance with the provisions of DOD 1401.1M and Department of State Standardized Regulation (Government Civilians Foreign Areas) subsections 031.11, 031.12a, b, and c, 031.2 and 031.13. Allowances and differentials will not exceed those provided to civil service employees in comparable positions.

c. Limitations

(1) The husband, wife, or dependent of a person employed in a NAF activity under the cognizance of BUPERS (Pers-65) who is stationed, employed, or a resident in an overseas area, is not eligible for allowances or differentials when he or she is there primarily to be near their sponsor.

(2) In the case of U.S. citizens/U.S. nationals recruited locally overseas who may claim allowance/differential eligibility, extreme care must be exercised to ascertain that the prospective employee has not held other interim employment between his or her last entitlement eligibility. The employee should not have exited the country on official "end of assignment" travel orders and reentered at his or her own expense for the purpose of establishing residence, or seeking employment with an instrumentality of the U.S. Government. Such interim employment, or exit and reentry, would disqualify the employee for any allowance/differential eligibility.

806. Relocation Travel and Household Goods Costs for Employees Recruited in the U.S.

a. Movement Overseas

(1) Subject to pre-employment negotiation, commanding officers in foreign areas may authorize costs for travel and movement of household goods not to exceed the limitations set forth in the Joint Travel Regulations, volume II, provided sufficient local NAFI funds are available to defray these expenses. A Transportation Agreement must be executed when these entitlements are offered to a NAF employee (Chapter 1, section 111 applies).

(2) Employees who complete less than 1 year of employment with the NAFI that has paid these relocation costs will be required to reimburse the NAFI for these costs unless the debt is forgiven by the local commanding officer.

b. Relocation Costs for Return Home

(1) Return travel and movement of household goods costs upon completion of an overseas tour may be authorized at a level that does not exceed the limitations set forth in the Joint Travel Regulations, volume II.

(2) Funds must be reserved by the activity to pay for costs to return the employee to his or her home of record in the U.S., its territories or possessions, upon completion of the employee's tour. Any costs of this return

transportation, beyond those associated with return to the employee's home of record, will be borne by the employee or the gaining activity.

(3) Employees are not entitled to return relocation costs until they have completed their tour of duty, unless otherwise approved by the local commanding officer.

807. Continuous Service in Foreign Areas. BUPERS NAF employees who were recruited in the U.S., its territories or possessions, or otherwise qualify under that criteria and who have satisfactorily completed the established tour in the foreign area, should submit a current SF-171, Optional Form (OP) 612, or resume, to BUPERS (Pers-653) at least 6 months prior to completion of a tour unless the employee has negotiated a tour renewal agreement with the installation commander. The SF-171, OP 612, or resume, will list at least three geographic areas, in order of preference, for priority placement consideration. BUPERS (Pers-653) will assist the employee, whenever possible, to obtain his or her position of choice. Figure 8-1 provides an example of a tour renewal agreement.

808. Return Rights

a. Purpose. To provide an opportunity for NAFIs located outside the 50 states to have access to high quality stateside talent and to ensure a measure of job security for NAF employees who take assignments outside the 50 states.

b. Eligibility. Return rights consideration is limited to NAF employees in grades NF-4 and above who have been employed within the BUPERS NAF system for more than 2 years at a NAFI located within the 50 states before selection for a position outside the 50 states.

c. Negotiated Return Rights

(1) Local NAFI Return Rights. The employee is responsible for initially negotiating return rights with the losing NAFI. Return rights are limited, in this case, to the last position held by the employee in the losing NAFI. The return rights agreement must be in the form of a "Memorandum of Understanding" signed by both the commanding officer and the employee and duly witnessed.

(2) BUPERS NAF Employee Return Rights. If return rights are not approved at the local level, the employee may request return rights, in writing via the chain of command, from BUPERS (Pers-65). Any request must be submitted and approved in writing in advance of commencement of travel to the assignment outside the 50 states. Approval of BUPERS (Pers-65) return rights

will be in writing and on a limited and selective basis. BUPERS (Pers-65) will guarantee return rights to a position in a NAFI located within the 50 United States comparable to the last position held within the states. "Highest previous rate" consideration will be given for service in the overseas NAFI. Placements will be made without any geographical limitation on BUPERS (Pers-65).

d. Tour Completion

(1) Once extended to the employee, return rights are contingent on the successful completion of the normal tour for the area by the employee. Failure to meet this requirement nullifies a return rights agreement.

(2) Employees must inform BUPERS (Pers-653) of their intention to exercise return rights not later than 6 months before the completion of their tour outside the 50 states. Before return rights can actually be exercised, however, the employee must be within 30 days of successful completion of the tour requirement.

e. Duration of Return Rights. Return rights may be negotiated for a period not to exceed the length of the normal tour for the area. Return rights may be renegotiated for one additional tour if approved by both the affected NAFIs and BUPERS (Pers-65).

f. Refusal of Offer Under BUPERS Return Rights Program. If an employee exercising return rights under the BUPERS (Pers-65) portion of this program is offered a comparable position within the 50 states and refuses the offer, his or her return rights will be canceled.

g. Relocation Funding for BUPERS Return Rights. When an individual accepts a comparable offer under the BUPERS (Pers-65) return rights program, the gaining NAF activity will fund the difference between returning the employee to his or her last place of employment within the 50 states and the new duty station.

h. Waivers. Any exceptions to the policy must be approved by the appropriate NAFIs which employ the individual and BUPERS (Pers-653).

809. Entitlement to Government Quarters and Facilities

a. NAF employees in positions for which it is necessary to recruit from the U.S. will be accorded full membership in the joint overseas military and civilian team to which they make a significant support contribution. Each overseas military commander will provide facilities under his or her jurisdiction, including Government quarters and family housing, to NAFI personnel, in accordance with the policies set forth in DOD Directive 1400.6,

and other pertinent regulations. The principle of equal treatment of NAF personnel with APF personnel at equivalent grade levels will be followed.

b. U.S. citizen/U.S. national NAF personnel traveling on official business may occupy temporary Government quarters, including guest houses, under the same terms and with the same eligibility as APF.

810. Medical and Health Services. U.S. citizen/U.S. national NAF employees will have access to the same medical and health service provided APF personnel, in accordance with the provisions of Title 5, USC, 7901. and OPM regulations.

811. Privileges. U.S. citizen/U.S. national NAF personnel will be afforded the same privileges provided their counterparts who are APF civilian personnel in the same overseas area, to the extent permitted by country-to-country agreements. These will include commissary, exchange, laundry, transportation, postal services (APO and FPO), recreation, and religious facilities. The basis for extending the privileges of clubs and messes will be according to grade and position responsibility, as determined by overseas commanders.

812. Home Leave. Home leave is granted on the basis that it is earned by service abroad for use in the U.S., the Commonwealth of Puerto Rico, or possessions of the U.S. The provisions of OPM regulations are hereby administratively extended and govern home leave for eligible NAF employees recruited in the U.S. and employed in overseas areas.

813. Renewal Agreement Travel. Employees who have completed the agreed period of continuous creditable service outside the U.S., and outside the employee's place of residence if such residence is in the Commonwealth of Puerto Rico, or in any of the possessions of the U.S., and who agree in writing to serve an additional tour of duty at the same or another overseas NAFI, may be authorized renewal agreement travel at the expense of the employing NAFI in accordance with the JTR, volume II.

a. Renewal agreement travel is allowed from an employee's overseas post of duty to his or her place of actual residence at the time of appointment or transfer and for the employee's return to the same or another overseas post of duty.

b. Time is not chargeable to leave while in a travel status as long as the travel is by the most direct route.

c. Upon reaching the place of actual residence, the employee will be charged annual leave, home leave, or leave without pay, as appropriate.

814. Emergency Leave and Travel. Emergency leave may be granted to U.S. citizen/U.S. national NAF employees assigned outside the U.S. and entitled to return transportation in cases of emergencies, such as serious injury, illness, or death in the employee's family, who is located in the U.S. The period of emergency leave, including travel time, will be charged to annual leave. If the employee has no accrued annual leave, he or she may be placed in a leave-without-pay status. Such employees may be provided government transportation on a space-available basis. Red Cross confirmation of the emergency should be secured prior to the approval of the leave and transportation.

815. Local Holidays in Foreign Countries. Local national NAF employees may be authorized time off to observe certain local, national holidays. Such authorization is subject to country-to-country agreements. When all or part of an installation is closed in observance of such a local holiday, and U.S. citizens, U.S. nationals, and third country nationals are prevented from working, they will be assigned to other work if possible. Otherwise, such employees may be excused without charge to leave or loss of pay.

816. Employee Benefits. Insurance, retirement, medical, and other employee benefits for local national NAF employees are established by agreements with the host country. Regardless of the place of their recruitment, U.S. citizens will earn annual leave and accrue sick leave credits in accordance with the policy governing employees in CONUS, as outlined in Chapter 5.

817. Care and Disposition of Remains of Deceased Employees. All benefits authorized for the care, preparation, and disposition of the remains of deceased U.S. citizen employees of the DOD paid from APF will be accorded equally to RFT and RPT U.S. citizen NAF employees who are employed outside of the CONUS, and who are not dependents of U.S. military personnel who would otherwise be entitled to such care and disposition of remains from APF. All items and expenses authorized to be furnished by the government on a reimbursable basis will be billed to and funded by the employing NAFI.

818. Evacuation of NAF Employees and Family Members

a. Heads of DOD Components will prescribe regulations, subject to the approval of the Secretary of Defense, governing NAF employee entitlement in emergency situations; procedures for financial assistance to NAF family member evacuees; and employment status of NAF paid personnel during and after an evacuation or crisis situation.

b. Entitlement to emergency evacuation for NAF employees, as well as the payment of allowances and benefits, is authorized for eligible employees as prescribed by the Department of State Standardized Regulations.

BUPERSINST 5300.10

3 Dec 97

819. DOD Schools (DODDS). With the enactment of Public Law 101-189, the Secretary of Defense has authorized dependents of NAFI employees to enroll in the DODDS system on a tuition-free basis.

EXAMPLE

TOUR AGREEMENT/TOUR RENEWAL AGREEMENT FOR
U.S. CITIZEN/U.S. NATIONAL NAF EMPLOYEES
NONAPPROPRIATED FUND INSTRUMENTALITIES
IN FOREIGN AREAS

1. Policy. Nonappropriated fund (NAF) personnel regulations do not limit the total length of time that a NAF employee may spend overseas. However, as an administrative process, BUPERS (Pers-65) requires execution and approval of a tour agreement or tour renewal agreement for each tour of duty served by a NAF employee. This agreement must be executed and approved by the installations commander prior to completion of an Initial or Renewal Transportation Agreement for Overseas Employees (DD Form 1617).

2. Agreement. I HAVE READ AND UNDERSTAND THE FOREGOING POLICY STATEMENT. I CERTIFY THAT I UNDERSTAND AND ACCEPT THE FOLLOWING CONDITIONS OF EMPLOYMENT:

a. The normal tour of employment in (Name of Foreign Area) is:
_____ Accompanied _____ months
_____ Unaccompanied _____ months

b. The decision as to whether or not to approve an employee request for tour renewal is a command prerogative. Disapproval of a request for tour renewal will result in my separation from employment and termination of U.S. Government sponsorship. This sponsorship is required if I wish to remain in _____ as a nonresident alien. Termination due to command refusal to renew a tour agreement is considered a non-disciplinary action that may be appealed only on the grounds of procedural error or alleged discrimination.

c. In the event it becomes necessary to terminate my employment, by reason of completion of a tour, the Bureau of Naval Personnel will attempt to assist me in obtaining a position in my area of choice.

Date Signature of Employee

Position Title Position Pay Band/Grade

Name and location of NAFI

____ approval
____ disapproval

Installation Commander Date

Distribution:

Original: Employee Record
Copies to: Employee, Personnel

CHAPTER 9

STANDARDS OF CONDUCT AND ETHICAL BEHAVIOR

901. Introduction. This chapter was prepared to provide guidance to all NAF employees on behaving and performing professionally and ethically as prescribed by DON regulations. While explicit, absolute, and continual adherence to all applicable regulations should be the goal, performing within the intent of the regulations is the ultimately desired achievement.

902. Reasons for Proper Training. NAF employee performance will improve and problems will decrease proportionally to each NAF employee's understanding of, and commitment to standards of conduct, government ethics, and fraud, waste, and abuse prevention and reporting.

903. Guidance/Instructions

a. This chapter is only a summarized guide. Questions should be resolved using the most recent revision of the applicable statutes, regulations, policies, and/or local authorized Standard Operating Procedures (SOP).

b. Doubts/questions should be resolved through research of applicable regulations; use of the chain of command; and consultation with the command ethics counselor, or other designated command legal representative.

c. BUPERS (Pers-65) branch representatives are available upon request to provide guidance on problem subjects (e.g., procurement, disposition of NAF property, services contracts, sponsorship, single-source procurement, same family hires, dealing with terminated employees as contractors, etc.)

d. All problems should be resolved at the lowest possible level in the chain of command.

e. The following documents contain the detailed rules, regulations, policy, guidance and information regarding standards of conduct, government ethics, and fraud, waste, and abuse prevention and reporting, that applies to all Navy employees:

(1) DOD Directive 5500.7R, Joint Ethics Regulation.

(2) SECNAVINST 5370.7R, DOD/NAVY Hot Line Program.

(3) SECNAVINST 5430.92A, Assignment of Responsibilities to Counteract Fraud, Waste, and Abuse Related Improprieties Within the DON.

904. Responsibility. Responsibility and accountability for ensuring compliance rest upon supervisors, commanding officers, and their superiors.

However, it is the responsibility of every employee to ensure he or she is completely aware of the rules of ethical conduct and behavior specified by the instruction and at all times, behave accordingly.

905. Penalties. Penalties for violations of ethics standards and rules of conduct prescribed by DOD Directive 5500.7R include the full range of statutory and regulatory sanctions for civilian and military personnel. A violation of the instruction's provisions is punishable in accordance with the Uniform Code of Military Justice for military personnel. Violations are also the basis for disciplinary action ranging from a Letter of Reprimand to termination for civilian employees. Under current DON regulations, employees are encouraged to seek the advice of agency ethics officials. Official disciplinary action for violation of regulatory standards will not be taken against an employee who relies on such advice.

906. Sample Ethical Decision Making Process

a. To make the best ethical choice or judgement, a decision maker needs the following:

(1) A complete understanding of the situation/problem and the environment.

(2) A thorough conceptualization of the DOD, DON, NAF and local rules and regulations that bear on the situation/problem.

(3) A commitment to ethical behavior and adherence to the standards of conduct by which to examine the pending decision and/or action (i.e., an ethics check).

b. The decision maker should ask the following about the pending decision or proposed action:

(1) Is it legal and is it authorized? Will I be violating civil law or current DOD, DON, NAF, and/or local rules and regulations?

(2) Is it balanced? Is it fair to all concerned in the short term as well as the long term?

(3) How will it make me feel about myself? Will it make me proud? Would I feel good if my decision and/or action was published in the newspaper? Would I feel good if my family knew about it?

(4) Am I being sensible, political, and tactful? How can I/we accomplish the outcome of this choice/decision and maintain positive working relationships?

907. Bedrock Standards of Conduct. To maintain the public's confidence in our institutional and individual integrity, all DON personnel will:

a. Avoid any action, whether or not specifically prohibited by the rules of conduct, which might result in, or reasonably be expected to create an appearance of:

- (1) Using public office for private gain.
- (2) Giving preferential treatment to any person or entity.
- (3) Impeding Government efficiency or economy.
- (4) Losing complete independence or individual impartiality.
- (5) Making a government decision outside official channels.
- (6) Adversely affecting the confidence of the public in the integrity of the government.

b. Do not engage in any activity or acquire or retain any financial or association interest that conflicts or appears to conflict with the public interest of the U.S. related to their duties.

c. Do not accept gratuities from DOD contractors unless specifically authorized by law or regulation.

d. Do not use their official positions to improperly influence any person to provide any private benefit.

e. Do not use inside information to further a private gain.

f. Do not wrongfully use rank, title, or position for commercial purposes.

g. Avoid outside employment or activities incompatible with their duties or which may discredit the Navy.

h. Never take or use Government property or services for other than officially approved purposes.

i. Do not give gifts to your superiors or accept them from your subordinates when it is not appropriate to do so.

BUPERSINST 5300.10
3 Dec 97

j. Do not conduct official business with persons whose participation in the transaction would violate law or regulations.

k. Seek ways to promote efficiency and economy in Government operations.

l. Preserve the public's confidence in the Navy and its personnel by exercising public office as a public trust.

m. Put loyalty to the highest moral principles and to country above loyalty to persons, party, or Government department.

n. Uphold the Constitution, laws, and regulations of the U.S. and never be a party to their evasion.

o. Give a full day's labor for a full day's pay, providing earnest effort to the performance of duties.

p. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not, and never accept for himself or herself or for family members, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of Government duties.

q. Make no private promises of any kind binding upon the duties of office.

r. Do not engage in business with the Government, whether directly or indirectly, inconsistent with the conscientious performance of Governmental duties.

s. Expose corruption wherever discovered.

t. BUPERSINST 1710.13 (Operation of Navy Messes Ashore and Package Stores), Chapter 4, establishes clear regulations and standards to control consumption of alcoholic beverages and entertainment programs in MWR activities. These standards have been established to promote responsible alcoholic beverage service and provide a safe and wholesome atmosphere for all patrons using these facilities. They require the support of all MWR employees. Accordingly, violation of alcoholic beverage control or entertainment standards (even as a first offense) by managers, or staff members, are grounds for termination in accordance with normal separation procedures described in SECNAVINST 5300.22.

u. Heads of NAFIs will provide all NAF and APF employees training on an annual basis.

CHAPTER 10

CHARACTER AND SUITABILITY REQUIREMENTS

1001. Purpose. This chapter prescribes policies and procedures to ensure that applicants and NAF civilian employees of NAFIs under the cognizance of the BUPERS are suitable for appointment. It provides rules for handling information uncovered during personnel investigations which reflects adversely upon the general character, conduct, suitability and reliability of an applicant or of a NAF employee.

1002. Appropriate Action to Take Concerning Adverse Information. During personnel investigations, information may be uncovered which reflects adversely upon the general character, conduct, suitability, and reliability of an employee, which, if known, would have disqualified the employee either for appointment or for appointment to the position in which serving. When for suitability (as opposed to security) reasons, the employee cannot be retained in the current position, but separation from employment is not considered necessary, the employee should be reassigned or demoted to a position in which the deficiency is not a bar to employment. When such action is not possible due to the gravity and nature of the derogatory suitability information, or the nature of the work in the employing activity or the lack of another position, it may be necessary to separate the employee.

1003. Management Procedures

a. Demotion or removal action on suitability grounds will be processed under the established procedures for basic disciplinary actions. Reassignment is not appealable but may be grieved by the employee in accordance with established procedures. BUPERS (Pers-653) should be notified whenever an action is taken against any NAF employee for suitability reasons.

b. In the processing of reassignment, demotion, or termination on suitability grounds, certain safeguards must be observed. Information contained in Naval Criminal Investigative Service (NCIS) reports may be used as grounds for the above actions, provided confidential sources of such information are protected, and provided the Director, NCIS or the appropriate Head of the local NCIS office authorizes use of the information. The Director, NCIS will obtain the necessary decision from other investigative agencies as to whether their respective reports may be so used if such decision is not already a matter of record.

c. Information from investigative reports, which has occasioned the contemplated adverse action but which in itself is not acceptable as evidence, may be made the basis for the independent development of unclassified evidence to serve as grounds for the proposed action, provided there is similar protection of confidential sources and the responsible investigative agency.

d. If security considerations preclude using the investigative information as evidence, or as the basis for developing evidence that may be used, and the employee is serving in a nonsensitive position, the adverse action cannot be taken.

1004. Guidelines for Making Suitability Determinations

a. These guidelines provide a basis for uniformity in making suitability determinations for NAFL employment. The many complexities in human behavior preclude the development of a single form to assist the examiner in deciding individual cases. Guidelines are based on the concept that each case must be decided on its own merits. They attempt to provide a setting in which intelligent and uniform suitability judgments are possible and depend on sound judgment, mature thinking and in-depth analysis.

b. Examiners must consider all information, both favorable and unfavorable, and assess relevance, recency, and seriousness. They should also be mindful that their objective is to evaluate the fitness of applicants and employees in a manner that will promote the efficiency of the government while assuring fair, impartial, and equitable treatment of the individual. Protecting the interest of the government is a first responsibility, but it also must be remembered that suitability decisions directly affect people's lives and careers.

c. An applicant may not be denied consideration for employment and an employee may not be removed, except for such cause as will promote the efficiency of the activity. There must be some rational connection between the individual's conduct and the efficiency of the activity.

d. Keys to equitable suitability determinations are the adequacy of the information and the objectivity of decisions based upon it. Adverse decisions based solely on information furnished in an application or related papers should be rare. In most cases, additional facts must be obtained to enable the examiner to determine whether the conduct in question is of such a nature that employing the person would impair the efficiency of the service. Disqualification is appropriate only if the information at hand supports a conclusion that the conduct may reasonably be expected to interfere with effective job performance.

e. OPNAVINST 1700.9 establishes guidelines for child care and youth employees.

1005. Factors to Consider in making Decisions. Application of the general, specific, and additional factors in this section should result in decisions which are fair to the individual and to the concept that any personnel action should promote the efficiency of the service.

a. General Factors. In determining whether an action will promote the efficiency of the activity, the evaluator will make the decision on the basis of these considerations:

(1) Whether the individual's conduct may reasonably be expected to interfere with effective job performance.

(2) Whether the conduct of the individual may reasonably be expected to interfere with or prevent effective performance by the employing activity.

b. Specific Factors. Any of the following factors may be considered a basis for disqualification in making a determination on the application of the general factors.

(1) Delinquency or misconduct in prior employment.

(2) Criminal, dishonest, infamous, or notoriously disgraceful conduct.

(3) Intentional false statement or deception or fraud in examination or appointment.

(4) Habitual use of intoxicating beverages to excess.

(5) Abuse of narcotics, drugs, or other controlled substances.

(6) Reasonable doubt as to the loyalty of the person involved to the government of the U.S.

(7) Any statutory disqualification which makes the individual unfit for the service.

c. Additional Factors. In making a determination, the evaluator will consider the following additional factors to the extent they are deemed pertinent in the individual case.

(1) The position for which the person is applying, or in which the person is employed, including its sensitivity.

(2) The nature and seriousness of the conduct.

(3) The circumstances surrounding the conduct.

(4) The recency of the conduct.

(5) The age of the applicant or appointee at the time of the conduct.

(6) Contributing social or environmental conditions.

(7) The absence or presence of rehabilitation or efforts toward rehabilitation.

1006. Guidelines for Applying Specific Factors

a. Delinquency or Misconduct in Prior Employment

(1) Delinquency or misconduct in a previous job may or may not have resulted in dismissal. For purposes of a suitability decision, concern should be focused upon the act or conduct itself and not upon the fact of dismissal. To disqualify a person for an unsatisfactory employment record, the evidence must show a pattern of conduct which would be incompatible with successful performance in the position.

(2) The nature of any delinquency or misconduct while in military service should be the governing factor in determining suitability, rather than the type of discharge. Consideration will be given to the findings of the Department of Labor when evaluating the circumstances of an Other Than Honorable discharge, which has been submitted to that agency for rehabilitation determination under the provisions of Chapter 80 of Title 10, USC. When the applicant submits an exemplary rehabilitation certification issued by that department, it should be considered persuasive evidence of rehabilitation with respect to the offense that led to the Other Than Honorable discharge. However, an independent determination must still be made on the individual's overall suitability in such cases.

(3) Special procedures are required in cases where there has been a removal for either of the following reasons:

(a) Security. If there has been a removal or a resignation (while under suspension or after the employee has been informed that charges were to be preferred) in the interest of national security or under statutory authority giving the power of summary (e.g., section 7532 of Title 5, USC (Public Law 81-733) or other similar law) and there is no evidence of a subsequent clearance, the case should be referred to BUPERS (Pers-653) for consideration.

(b) Prohibited Political Activity. If there has been a separation for prohibited political activity, the case should also be referred to BUPERS (Pers-653) for necessary consideration.

b. Criminal, Dishonest, Infamous or Notoriously Disgraceful Conduct.
This is the broadest of the disqualification factors and one that most

frequently overlaps with others. It implies behavior which is outside the normal pattern and is generally unacceptable in our society. The components are discussed separately below. When overlapping occurs, it will be necessary to apply the guidelines for each particular disqualification and to consider the whole in determining the effect it may have on promoting the efficiency of the service.

(1) Criminal Conduct

(a) The Federal government has established a policy providing for the employment of rehabilitated criminal (Prisoner Rehabilitation Act of 1965, P.L. 89-176). This concept should be applied in all suitability matters involving criminal conduct regardless of whether there was an arrest, conviction, or imprisonment.

(b) A few statutes, such as those dealing with criminal offenses of treason, destruction of public records, and riots and civil disorders, specifically provide that persons convicted under them will not hold, or will be disqualified from holding, any position under the U.S. The statutes are found in OPM regulations. Otherwise, the privilege of holding a position in the Federal government is not automatically prohibited by reason of criminal conduct.

(c) Persons who have recently committed serious crimes involving basic questions of honesty, integrity, and character, are usually disqualified for Federal employment, unless they have established records of rehabilitation. In determining fitness in these cases, the primary concern is the nature of the criminal conduct rather than the fact of conviction. The circumstances leading to arrest may have a genuine bearing on a person's future for Federal employment even though there was no criminal conviction. The fact that an arrest without conviction or forfeiture of collateral is not required to be shown on application forms, does not preclude the government from developing and evaluating the facts involved when it makes a fitness determination for employment. Employing activities will decide the fitness of an applicant or appointee with a record of law violations on an individual basis.

(d) Arrests. If a person's record shows that he or she has been arrested on a number of occasions, or for a single serious crime, but that the charges have been dismissed or not prosecuted, more facts are usually needed before a decision is made. All pertinent facts should be considered before making a decision in the case. Fitness decisions are administrative in nature and are based on facts which establish a person's conduct and actions, not solely on the legal outcome of a criminal proceeding.

(e) Convictions. Arrest records, officers' reports, and court records are generally considered in deciding cases involving criminal convictions. When an individual has been imprisoned, information concerning his or her prison record, the extent of his or her rehabilitation, and related matters should be obtained from the appropriate prison, probation, and parole officers. Then, all facts must be considered to determine whether employment of the individual could reasonably be expected to have an adverse effect on the efficiency of the service.

(f) Indictments. An application from a person who is under indictment for a serious offense will be accepted, but he or she will not be considered for appointment. The applicant will be informed that he or she will not be considered for appointment until a disposition of the case has been submitted. Upon receipt of this evidence and following any necessary investigation, a suitability determination will be made. Activities should likewise suspend consideration for employment until a disposition is made of pending criminal charges.

(g) Juvenile Crimes. A juvenile offender is one who committed an act in violation of a law, regulation, or ordinance before his or her 18th birthday, and the offense was finally adjudicated in a juvenile court or under a youth offender law. A juvenile offender is not required to answer affirmatively a question as to whether he or she was convicted for an offense against the law when the question is asked in NAFI employment application forms. Arrests which were adjudicated in a juvenile court may not be used by an activity to disqualify a person for appointment to a NAFI position. If the offense was adjudicated in a court other than a juvenile court, or under a law other than a youth offender law, the applicant is required to answer affirmatively any questions on convictions which may appear on applications and appointment papers, regardless of the person's age at the time the offense was committed.

(h) The arrest for which a juvenile offender was required to appear before a juvenile court may not be used to disqualify him or her for a position in the Federal service.

(i) A person whose conviction has been set aside under the Federal Youth Corrections Act, or similar state authority, need not list a conviction in response to a question asking for this kind of information in any application for Federal employment. If convictions set aside under the act are admitted, they may not be used to disqualify a person for any examination or for appointment in a NAFI position.

(j) Expunged Records. Some states authorize expungement of a record of arrest or conviction in certain circumstances. An applicant for Federal employment is not required to admit in his or her application a record

of conviction when that record has been expunged under state or Federal law. Even though a criminal record may have been expunged, the examiner, in making fitness determinations, must concern himself/ herself with the fact and circumstances of the behavior initially alleged to have been criminal, not with the legal ramifications of expunged records.

(k) Pardons. If a presidential or gubernatorial pardon is granted on the basis of a person's innocence, the applicant may be accepted for consideration immediately after the date of the pardon, regardless of the type of position involved. When there has been a pardon for another reason, full information will be needed for consideration under the additional factors listed in paragraph 1005 of this chapter.

(2) Dishonest Conduct. Dishonest conduct is an act or failure to act which indicates deliberate disregard for the rights of others, generally through the use of lies, fraud, or deceit. The following examples of dishonest conduct are not intended to exclude other types of conduct which may also involve dishonesty:

(a) Misappropriation, or misuse of funds.

(b) Falsification of records or accounts, or willful failure to keep accurate records or accounts.

(c) Theft.

(d) Offer or acceptance of a bribe.

(e) Willful disregard for just financial obligation.

(f) Willful disregard for the truth.

(3) Infamous or Notoriously Disgraceful Conduct

(a) The disqualification for infamous conduct relates to those few individuals whose social behavior is so bizarre or so clearly aberrant that the conduct in itself evidences depravity. Such things as incest, child abuse, bestiality, self mutilation, and similar acts are of such a nature that the employment of the individual clearly would not promote the efficiency of service. In such cases, the behavior in itself would be sufficient grounds for disqualification for any position in the Federal service. Only conclusive evidence of rehabilitation of the individual would warrant a favorable determination.

(b) Notoriously disgraceful conduct is that conduct which is shameful in nature and is generally known and talked of in a scornful manner.

It is important to recognize that in most instances, the presence of notoriety and public censure would be the prime consideration in making an adverse finding, rather than the shameful conduct itself. Evaluators must be careful to avoid letting personal disapproval of such conduct influence their decisions. Disqualification in such cases is warranted only when the notoriety accompanying the conduct can reasonably be expected to adversely effect the person's ability to perform his or her job, or the activity's ability to carry out its responsibilities.

(c) Individual sexual misconduct will be considered under the guides discussed above. Persons may not be disqualified from Federal employment solely on the basis of homosexual conduct.

(4) Intentional False Statement or Deception or Fraud in Examination or Appointment

(a) This disqualification may be used only if the false statement, deception, or fraud concerns a material fact. A material fact is defined as a fact requiring serious consideration by reason of having a certain or probable bearing on the proper determination of the matter to which it relates. Since an intentional false statement, concealment, or misrepresentation must relate to a material fact to be disqualifying, an ineligible rating should not be made solely on the basis of the statement, concealment, or misrepresentation itself. The disqualifying fact or facts should be cited as the primary basis for action. Intentional false statements, concealment, or misrepresentations may be cited as additional reasons for action.

(b) If intentionally or deliberately made, the concealment of, or a false statement or misrepresentation about, a material fact would normally be disqualifying if discovered during the first year of employment. However, since each case must be decided on its own merits, this is a guideline rather than a firm rule. The concealed conduct, or act, may be of such quality in predicting performance that disqualification would be warranted if discovered more than a year following appointment. Usually, no corrective action should be taken if the intentional falsification, concealment, or misrepresentation is discovered after 5 years from appointment, unless the person is disqualified by law. The same general rule is applied when appointment is obtained by fraud in examination or appointment. Examples of fraud in examination or appointment are: Impersonation in examination; collusion in examination; assuming identity of a person who has eligibility; altering the grade score on any document related to employment or application for employment; altering the condition of discharge on discharge documents; and altering college transcripts to qualify for a position in which specific educational attainment is a requirement.

(5) Habitual Use of Intoxicating Beverage to Excess

(a) Public Law 91-616, enacted on December 31, 1970, provides that "no person may be denied or deprived of Federal civilian employment or a Federal professional license or right solely on the grounds of prior alcohol abuse or alcoholism." This law affords full opportunity for employment consideration to those who have been alcohol abusers but now are rehabilitated or make genuine efforts to become rehabilitated. It encourages rehabilitation by eliminating penalties for past abuse. While the law prohibits denial of employment solely on the grounds of prior alcohol abuse, the Federal government is not required to employ persons who are abusing alcohol on a current and continuing basis.

(b) Rehabilitation is not necessarily time-framed. There can be strong evidence of rehabilitation covering a brief period of time in one case whereas in another case the individual may have been undergoing rehabilitative treatment for a longer period, but has shown little or no personal positive effort toward rehabilitation.

(c) The final decision must be based on whether there is continuing alcohol abuse, and if not, whether the effects of recent use of intoxicants habitually to excess would reasonably be expected to interfere with job performance or activity mission.

(d) The discussion above refers only to applicant and appointee cases, not to employee cases which develop after the entry suitability determination has been made. In cases arising after the entry suitability determination has been made, the activity must be guided by internal and Department of Navy procedures.

(6) Abuse of Narcotics, Drugs, or Other Controlled Substances

(a) Public Law 92-255, the Drug Abuse Officer and Treatment Act of 1972, states that "No person may be denied or deprived of Federal civilian employment...solely on the basis of prior drug abuse." Since the language in P.L. 92-255 and P.L. 91-616 (alcohol abuse) is identical for all practical purposes, it may be concluded that the intent and purpose of these laws are the same. Consequently, the same guideline discussed above for alcohol abuse will be applied when determining suitability in cases involving prior drug abuse. The quality of the rehabilitative effort, in the final analysis, must be the controlling factor in both prior drug and alcohol abuse cases.

(b) The difference in adjudicating cases involving drugs and alcohol occurs in cases involving current and continuing use. In cases involving current moderate use of alcohol, disqualification, based on use

alone, would be inappropriate. The justification for allowing moderate use of alcohol in suitability decisions is based on the fact that such use is generally an accepted form of behavior in our society and in most jurisdictions is legal. Also, moderate social use of alcohol is generally known to have little significant relationship to a person's ability to perform effectively in most civilian positions, and has no apparent effect upon the activity's ability to carry out its responsibilities.

(c) The same conclusions cannot be reached when evaluating cases involving current use of drugs. Drug use is not a generally accepted form of behavior in our society, and in most jurisdictions, is illegal. For this reason, employment in the Federal service should ordinarily be denied to those who currently use illegal drugs, narcotics, or other controlled substances.

(d) The infinite pattern of drug usage and the variety of their varied effects on human behavior precludes full elaboration on all types of drug cases. Each case should be adjudicated on its own merits after needed information on the following factors has been obtained: Impersonation in examination; how the drug was obtained; type of drug used; for each type of drug used, the date started and the last date used; circumstances and environment at the start of drug use; circumstances and environment at the time of discontinuance of drug use; assistance in cure and rehabilitation, nature of treatment and prognosis; social behavior and attitude since discontinuance of drug use; and history of previous rehabilitation efforts.

(e) A valid determination will depend heavily upon a thorough assessment of each case. Along with all available data on prior use and subsequent rehabilitation, consideration must be given to the degree of adverse effect the occupant of the position to be filled could bring about in the Federal service.

(f) While continuing use of any controlled substance (including marijuana, LSD, and others that is common and readily obtainable) is disqualifying, no specific period of rehabilitation can be established. The length of time since the last date of drug abuse is only one factor in determining rehabilitation and must be considered with other factors such as the type of drug used, the extent of drug use, and the quality of rehabilitation efforts.

(g) As in the case with alcohol abuse, the above discussion refers only to applicant and appointee cases. Drug abuse cases arising after the entry suitability determination has been made will be handled under activity internal procedures.

(7) Reasonable Doubt as to the Loyalty of the Person Involved to the Government of the U.S.

(a) Traitorous or disloyal acts are disqualifying. In addition, knowing and active membership in an organization whose stated aim is destruction of the constitutional form of government by unconstitutional means with the specific intent to carry out that destruction and engaging in activities with the intent to destroy this constitutional government by illegal means, will result in disqualification.

(b) In cases involving a reasonable doubt as to the loyalty of the applicant or employee to the government of the U.S., the nexus between disloyalty and inability to serve is self-evident. The problem for suitability examiners arises when there exists a bona fide question of loyalty of more subtle nature, or to a lesser degree than outright disloyalty. An examiner must be able to make this distinction since his or her concern, when considering the loyalty criteria, must relate to a person's loyalty to the form of government and not to a current policy or program. This means that a person's right to peacefully assemble, dissent, and protest will not be a matter of concern in making a suitability determination. When persons in their protest become involved in violence, destruction of property, interference with rights of others, intimidation or other criminal conduct, even if that protest is against Government policies or programs, consideration as to suitability is proper.

(8) Any Statutory Disqualification Which Makes the Individual Unfit for Service. Only persons who are legally disqualified are automatically excluded from employment in NAF positions. Judgmental factors are not involved where legal bars exist. The various laws contain specific employment restrictions which must be enforced. When a person is excluded by such restrictions, notification of ineligibility should be in writing, citing the appropriate statutes. For example, Public Law 90-351 (Title 5, USC, 7313) places restrictions on the employment of persons convicted in connection with certain riots.

1007. Guidelines for Applying Additional Factors

a. General. As pointed out in discussing specific factors above, certain types of personal conduct are disqualifying without regard to the additional factors. Examples of such conduct are current use of intoxicants habitually to excess, current drug abuse, and all statutory disqualification.

b. Additional Consideration. In the majority of cases, consideration must be given to the additional factors below:

(1) Kind and Sensitivity of Position. The level of responsibility and the sensitivity of the position will have considerable bearing on the

3 Dec 97

reliability, trustworthiness, and ethical behavior expected of the occupant of the position. On the other hand, there are certain types of conduct which should result in disqualification regardless of the position.

(2) Nature and Seriousness of the Conduct. Examiners should not set unreasonably high standards and view minor transgressions as disqualifying. Neither should they be overly permissive and allow the Federal service to become a haven for the untrustworthy, unethical nor dishonest. Serious criminal conduct should normally result in disqualification, but convictions of a minor nature should not be used to disqualify an otherwise eligible applicant or employee. In considering the seriousness of the incident or conduct, the acid test is whether employment of the individual will adversely affect the efficiency of the service.

(3) Circumstances Surrounding the Conduct. The nature and seriousness of the actual incident or conduct are important as pointed out above, but of equal importance are the circumstances under which it occurred. Therefore, sufficient information must be at hand before this factor can be applied. In many cases, there are mitigating circumstances of which the examiner should be aware before an intelligent evaluation can be made.

(4) Recency of the Conduct. This consideration relates directly to rehabilitation when the issue involves disqualification factors such as drug abuse, habitual use of intoxicants to excess, and criminal, infamous or notoriously disgraceful conduct. In such cases, the quality of the rehabilitation effort is more important than the amount of time which has elapsed since the problem existed. An isolated occurrence, which has suitability implications, that took place in the remote past would not likely be disqualifying. A serious act of misconduct which occurred recently would normally be disqualifying, but not before facts are obtained to determine whether mitigating circumstances are evident.

(5) Age of the Applicant or Appointee at Time of the Conduct. Since youthful indiscretions often are committed in the lapse or absence of mature judgment, suitability decisions should be tempered with that in mind. Suitability examiners must also take this factor into account to ensure that an otherwise qualified individual is not denied employment because of an act committed as a young person when it is established that the appointment or retention of the person would not adversely affect the efficiency of the service.

(6) Contributing Social or Environmental Conditions. In adjudicating suitability issues, the examiner should have sufficient information to establish the extent that social or economic environment played in influencing specific actions or conduct in general.

(7) Absence or Presence of Rehabilitation or Efforts toward Rehabilitation. Once a person has demonstrated affirmative evidence of rehabilitation, regardless of prior transgressions, a favorable suitability decision may result. Since time limits are arbitrary in nature, rehabilitation should not be defined exclusively in terms of a time frame. Suitability decisions should be based on the quality of positive efforts toward rehabilitation, not upon a specific time span.

CHAPTER 11

SPECIAL PLACEMENT PROGRAM

1101. Introduction. The BUPERS (Pers-65) Base Realignment and Closure (BRAC) Special Placement Program (SPP) was created to assist NAF employees scheduled for, or actually separated, due to BRAC action.

a. Highlights of the program include:

(1) Eligible BRAC NAF employees may register for up to 2 years (i.e., up to 1 year before and 1 year after separation).

(2) The program provides different levels of placement assistance to BRAC NAF employees in CONUS, at overseas non-foreign activities, and at overseas foreign activities.

(3) Based upon registrations, BUPERS (Pers-653) provides all Navy NAF MWR activities with a monthly SPP Bulletin. This bulletin must be cleared before placement actions are taken.

(4) All employees receive priority rights or consideration, (i.e., freeze position vacancies) or are considered for most vacancies for which registered in their total commuting area.

(5) Employees may register for two different positions.

(6) Performance determines placement priority.

(7) Activities may promote, reassign, or detail their own employees within the activity without considering SPP candidates.

(8) CONUS pay band 3, 4, and 5 employees may register for other commuting areas besides their own.

(9) Employees registering for placement assistance outside of their commuting area must pay their own relocation costs unless the losing or gaining activity agrees to pay.

(10) CONUS and overseas non-foreign activities have been assigned to a given commuting area. Overseas foreign areas are exempt from this program, except in the placement in CONUS of BRAC NAF employees with transportation rights.

b. Management plays the key role by assisting employees to complete the required program registration form and ensuring that its managers/supervisors abide by the letter and spirit of the program. Employees must provide accurate data, and insure that timely changes to initial data input are

provided so that the data base is up-to-date. BUPERS (Pers-65) is responsible for oversight and administration of the total program.

1102. Explanation of Terms

a. BRAC Base. A Navy facility included in the DOD BRAC listing for realignment, or closure.

b. Commuting Area. Geographic area in which employees normally commute to and from work (this is often expressed in terms of 50-60 miles or 1 hour from the site of employment). Each Navy NAF MWR activity has been assigned a commuting area code (Figure 11-1).

c. Prime Commuting Area. Commuting area for which an employee or applicant is registered for inclusion in Part A of SPP Bulletin.

d. Secondary Commuting Area. Commuting area, or areas, for which an employee is registered for inclusion in Part B of the SPP Bulletin.

e. Eligible SPP Registrant. Navy NAF non-probationary employees, and flexible employees at BRAC designated activities who have completed 3 years of NAF service, and whose most recent record of performance rating is at least "satisfactory." (Service need not have been continuous, nor served in same NAFI.)

f. Matching SPP Registrant. Eligible SPP registrants whose position title, series, grade, and employment category matches an organization's position vacancy.

g. Position Vacancy. Navy NAF position vacancies are used for SPP consideration. Those positions expected to be established for beyond 1 year are considered "continuing positions." Those to be established for 1 year or less are considered "temporary positions." SPP registrants may opt to be considered for both types of positions. The acceptance of a temporary position allows the registrant to continue his or her registration in the SPP until a continuing position is offered, or until registration expires.

h. Employees. NF, UA, AS, PS, NA, NL, NS, and GSE employees of Navy NAF MWR activities, BQs, and civilian NAFIs.

i. OCONUS. Navy activities located outside the Continental U.S. in non-foreign areas.

j. Special Placement Program (SPP). Worldwide selective placement program for providing assistance to BUPERS Navy NAF employees at a BRAC activity scheduled to be separated, or actually separated due to BRAC action.

k. SPP Bulletin. The placement instrument of the SPP. It is published and distributed by BUPERS (Pers-653) to Navy NAF activities worldwide. The bulletin has placement information on employees from BRAC activities seeking placement assistance who are scheduled for, or actually separated. Navy NAF activities must make sure there are no candidates on the SPP Bulletin before filling vacancies. Part A of the SPP Bulletin contains the names of all registrants, by commuting area, who have priority placement rights or priority consideration rights to specified positions in that commuting area. All BRAC registrants from a single commuting area are listed in this part. Part B of the SPP Bulletin contains a listing of registrants in pay band 3, 4 and 5 and UA/NS/GSE equivalents. In Part B, most registrants may register for two commuting areas (other than their own).

l. Priority I. This placement priority is afforded to all registrants of Parts A and B of the SPP Bulletin who are in a performance category of "silver" or "gold" (i.e., highly satisfactory or outstanding). Such registrants are given priority rights (i.e., they "freeze" vacancies in MWR activities, under specified conditions, when their SPP registration data matches vacant Navy NAF MWR position(s)).

m. Priority II. This placement priority is afforded to all registrants of Parts A and B of the SPP Bulletin who have a performance rating of "bronze" (satisfactory). These registrants are given priority consideration for all matched vacancies. Consideration does not confer a right to "freeze" matched vacancies, nor does management have to justify the non-selection of such registrants.

n. Position Freeze. A process that requires the selection of a SPP candidate to fill a vacancy. The SPP does not force managers to take "matched" Priority I registrants against NAF vacancies under recruitment. In fact, when such a match occurs with a Priority I registrant in Part A of the SPP Bulletin, management may fill the position in spite of the matched Priority I registrants as long as the NAF selectee is from within the organization with the vacancy. When a match occurs with a Priority I registrant in Part B of the SPP Bulletin, management may again fill such vacancy as long as the selectee is a NAF employee in a NAF activity within the same commuting area as the organization with the vacancy. Management has the option of withdrawing a recruitment action rather than offer such to SPP registrants. However, when this is done, the vacancy stays unfilled until the "matched" registrants no longer appear in the SPP Bulletin, or until selection is made from an authorized source.

o. Stand Alone Activities. Such activities have few other Navy activities in their proximity, thereby providing limited placement opportunities for BRAC employees in that commuting area. Assigned activities

are provided with a number (e.g., N-1, N-2). Each of these "N" coded activities are treated as separate commuting areas for placement purposes.

1103. Eligibility and Registration

a. Policy. The SPP provides placement assistance for up to 1 year before and 1 year after separation to eligible Navy NAF employees at BRAC bases who are:

(1) Involuntarily separated or scheduled for separation by BBA.

(2) Scheduled for separation due to declination of functional transfer outside of their prime commuting area.

b. Registration Eligibility. To meet basic eligibility, Navy NAF employees must be employed by a BRAC base, installation or facility and must be either:

(1) A regular nonprobationary employee.

(2) A flexible employee with 3 or more years of NAF service (need not be continuous service, nor served in same NAFI).

c. The employee's most recent performance rating/appraisal must have been at least satisfactory.

(1) Employees with an annual, or recent nonannual, less than satisfactory rating are not eligible to register in the SPP. However, to deny registration under such circumstances, management must have issued the employee a Letter of Caution based on performance. At the completion of the period of time allowed in the Letter of Caution, management must rerate the employee. Based upon the new appraisal, the employee should either be separated, reassigned, downgraded, or rerated as "satisfactory" or above, and if appropriate, allowed to register in the SPP. (NOTE: Those individuals placed in different positions are provided with a presumptive rating of satisfactory for 120 days after which they are provided with a regular performance review and appropriate rating.)

(2) Once employees are given new annual performance ratings, they may update their registration for possible changes in their initially registered performance category. Changes are made through the registrant's NAF activity. Responsibility for ensuring that such changes are made rests with the registrant.

d. Registration Timing

(1) Management will decide the timing of employee registration. This latitude is afforded in that facilities scheduled for closure do not normally continue to operate at maximum capacity right up to a closure date. Instead, the schedule for closure might call for a long drawn out process. Draw downs usually necessitate a planned phase-out of jobs. Under these conditions, management may allow the registration of NAF employees from one or more type of positions/functions, while other employees in the same NAFI may not be allowed registration at that same time.

(2) The registration and placement consideration process is somewhat protracted. Management should allow for program registration 12 months before it is reasonable to assume that a given position, function, or program is due to be terminated, or drastically reduced due to the BRAC decision. This means that employees may be registered in the SPP for up to 2 years (i.e., 1 year prior to projected BBA notices plus 1 year from date of actual BBA separation).

(3) Registration decisions on the part of management are crucial for employees, since the longer employees are registered, the better their chances are for placement consideration. Management should assure that it applies these decisions in an equitable manner that can be readily explained to employees. These actions might also best be accepted by employees if they are orally explained, thereby allowing for a question/answer approach.

(4) Registration on the SPP does not bind management to maintain an employee in a paid status during any period of enrollment.

e. Changes in Registration Data

(1) Employees who have initially registered for a given job title, series, grade, and employment category, and subsequently have a change in either job/position, series, grade, or employment category as a result of BRAC phase-down decision/actions, will be allowed to remain in the SPP for job/position, series, title, grade/band, and employment category for which initially registered.

(2) For example, a BRAC employee is registered in the SPP as Supervisory Recreation Specialist, NF-0188-04, with an employment category of regular full time. 1 year after registration, the employee's position has been changed to a Recreation Specialist, NF-0188-03, with an employment category of flexible (such changes were necessitated by the BRAC draw down and

BUPERSINST 5300.10
3 Dec 97

corresponding loss of military clientele). Since this change in status came about due to BRAC action, the employee is allowed to stay registered in the SPP using original registration data.

f. Local SPP Coordination

(1) Each BRAC activity must appoint a BRAC SPP Coordinator who will be responsible for the administration of the SPP at that installation.

(2) Once a BRAC installation closes, SPP responsibilities will be transferred to a continuing NAF activity which will assume all SPP responsibilities for registered BRAC employees from the closing BRAC installation. BUPERS (Pers-653) will coordinate the assignment in conjunction with appropriate Echelon II commands.

g. Commuting Area Codes and Registration. Understanding Commuting Area Codes is imperative in understanding the SPP, and assisting employees during the registration process. Navy NAF employees at BRAC facilities or installations are provided with different degrees of placement assistance, depending on the location of their organization (i.e., whether the organization is in CONUS, in an overseas nonforeign area, or in an overseas foreign area). The following is an explanation of commuting area codes and registration:

(1) CONUS Activities

(a) The SPP emphasizes placement of CONUS and overseas nonforeign BRAC employees within the area in which they currently work. This is also called the "prime commuting area."

(b) The first placement emphasis in the SPP is to offer placement priority to all eligible BRAC employees for Navy NAF vacancies in their prime commuting area. This is accomplished by placing such registrants in Part A of the SPP Bulletin.

(c) All CONUS Navy NAF activities have been assigned a lettered Commuting Area Code.

(d) For example, all Navy NAF activities in the Jacksonville, Florida area has been assigned Code "C." This code covers NAS Jacksonville, NAS Cecil Field, NAVSTA Mayport, and SUBASE Kings Bay, GA. This group includes one BRAC base (i.e., NAS Cecil Field). As the Cecil Field BRAC closure date approaches, employees at Cecil Field will be given priority placement rights to Navy NAF MWR position vacancies at NAS Jacksonville, NAVSTA Mayport and SUBASE Kings Bay. (Such registrants are placed in Part A

of the SPP Bulletin.) The program also allows employees at Cecil Field in pay bands 3, 4 and 5 (and UA, GSE, NL/NS equivalents) to register for another two CONUS commuting areas (secondary), and to receive priority placement assistance for Navy NAF vacancies in those secondary commuting areas. Such registrants are placed in Part B of the SPP Bulletin.

(e) Many activities do not share their commuting area codes with other activities. These "stand alone" activities have all been placed under Code "N," and provided with their own number, e.g., NAVSTA Mobile, Alabama is a "stand alone" activity; therefore, coded "N." However, since there are so many "N" coded activities, each has been provided with their own "N" code. For example: NAVSTA Mobile, AL is Code N-29 and NAS Lemoore CA is Code N-25.

(f) Eligible registrants in Part B of the bulletin can register for employment assistance in up to two secondary commuting areas besides their prime commuting area. Thus, the more activities in a commuting area for which they register, the more chances are improved for continued employment. For example, the Norfolk commuting area contains 13 different Navy NAF MWR activities. It would appear that this would be a good choice for Part B registrants.

(g) Selecting an "N" code activity limits registrant opportunities. For example, by selecting "N" activities as his or her two choices under Part B of the bulletin, the registrant will receive placement assistance at only two activities. If the same registrant had selected Code F (Norfolk) and Code J (San Diego) as his or her two choices, the chances of employment are enhanced since these commuting areas contain 23 Navy NAF MWR activities.

(h) In assisting employees to register in the SPP, management should also include the list of BRAC closures in its deliberations. For example, Commuting Area Code K, San Francisco/Oakland, contains 7 Navy NAF MWR activities, and on the surface would appear to be a good choice as a commuting area for Part B (secondary commuting area) registration. But a review of the list of BRAC closures shows that 5 of 7 bases are on the closure list.

(i) Finally, management should emphasize to Part B registrants that continued employment should be the objective. Thus, registration for commuting area codes with several Navy MWR activities should be encouraged, rather than exotic or "stand alone" activities that offer fewer employment opportunities.

(2) Overseas Non-Foreign Areas (OCONUS). Commuting Area Codes and Registration.

(a) Except for employees serving under a transportation agreement, employees at overseas nonforeign activities included on a base closure listing may only register and be considered for SPP placement in their own commuting area (i.e., eligible NAF employees of all grades may only register for Part A of the SPP Bulletin). As such, they are not authorized to register for secondary commuting areas. (NOTE: In all cases, overseas nonforeign activities, at any specific location, are in one commuting area. Example: Puerto Rico has been coded as "O-4,", i.e., one commuting area and contains NAVSTA Roosevelt Roads and NAVSECGRU Sabana Seca.)

(b) Otherwise eligible Navy NAF employees serving under a transportation agreement in an overseas nonforeign activity included in the BRAC listing may register within their commuting area as their primary commuting area code and register for up to two CONUS secondary commuting areas. If registration is for a CONUS activity more distant from the overseas activity than the registrant's home of record, the registrant must agree to pay for the difference in JTR costs. Such "agreement" can be noted by a pertinent remark to that effect in the comments block on the registration form.

(c) Family members of Navy NAF employees serving under transportation agreements, who are also qualifying NAF employees, may register for CONUS prime and secondary commuting areas identical to their sponsor, irrespective of the stated limitation that NAF employees in overseas nonforeign areas may only register for activities in their own commuting area.

(3) Overseas Foreign Areas

(a) Closing activities in overseas foreign areas are not assigned commuting area codes, nor are activities in overseas foreign areas included as possible choices during SPP program registration. However, employees at closing activities in overseas foreign areas with a transportation agreement, may register for placement to a prime CONUS commuting area. This approach means that a selecting activity will be under no obligation to pay JTR travel transportation costs from the overseas activity to the selecting activity.

(b) When an employee under a transportation agreement at an activity in some closing overseas foreign area registers in a prime or secondary CONUS commuting area that is a farther distance from the overseas activity than the employee's official home of record, then the employee must agree in writing to pay the difference in any JTR related costs in the event of a selection. Under such circumstances, the agreement may be made by the employee by checking block 12a of the registration form. Failure to sign such agreement may lead management to refuse such registration for that prime or secondary commuting area.

(c) Eligible NAF employees at closing activities in foreign overseas areas, who are not serving under transportation agreement may register for CONUS commuting areas only and may register for Parts A and B of the SPP Bulletin. However, they must agree that, if selected, the selecting activity is under no obligation to pay for related JTR costs. The agreement may be reflected by the employee checking block 12a of the SPP registration form. Failure to sign an agreement will lead to denying the employee registration in the SPP.

(d) When a pay band 3, 4, or 5 registrant or equivalent NS, GSE BRAC employee in a foreign overseas area registers for secondary commuting areas, his or her family members who are also Navy NAF MWR employees may register for similar secondary commuting areas even if they don't meet the normal grade criteria for such registration.

h. Application Form

(1) The BRAC SPP application form is the key for providing registration data to BUPERS (Pers-653). BUPERS (Pers-653) uses these forms to build a Navy-wide BRAC special placement data base and a bulletin that will be updated and distributed on a monthly basis.

(2) While all eligible BRAC employees will participate in the completion of the forms, management is ultimately responsible for assisting them in the timely registration, accuracy and submission of such forms.

(3) Management should counsel all employees and provide a basic understanding of the SPP before employees complete the necessary registration form.

(4) Figure 11-1 provides an example of the application form for employee registration in the SPP.

1104. SPP Placement Bulletin

a. Role of BUPERS. BUPERS (Pers-653), through an assigned SPP Placement Coordinator (PC), is responsible for administration of the SPP. In this role, the PC provides program guidance, policy, and acts as a facilitator in bringing together registered employees and Navy NAF organizations with job vacancies. The PC receives all registration forms from submitting BRAC activities and compiles the data, and distributes a monthly sequentially numbered SPP Bulletin.

b. Part A of the SPP Bulletin. (For CONUS, Overseas Non-Foreign and Overseas Foreign Activities).

(1) This part of the SPP Bulletin contains the names of all registrants, by commuting area, who have priority placement rights or priority consideration to specified positions in that commuting area. All BRAC registrants from a single commuting area are listed in this part. Irrespective of grade or employment type, i.e., pay bands, UA, AS, PS, NA, NL, NS and GSE employees. In the event of a placement right, registrant match, there would be no relocation costs.

(a) Placement rights mean that a Part A Priority I registrant freezes all matched vacancies in all NAF activities throughout the commuting area, except those vacancies that are filled by an activity's own onboard personnel. A Priority I registrant in Part B of the Bulletin, on the other hand, freezes all matched vacancies, except those that are to be filled by Navy MWR employees from within the commuting area of the activity with the vacancy. NOTE: Overseas nonforeign activities only receive Part A registrations. Part B is not an option.

(b) In CONUS, commuting areas with limited Navy MWR activities (i.e., those coded "N") which have limited placement opportunities for Part A registrants, such BRAC employees may register for any other (one) commuting area (Part A) of their choice and receive the same placement rights as those afforded the registrant in his or her own commuting area. However, under these conditions, the employee must state on his or her SPP registration form that he or she is willing to pay for all (if any) necessary travel and transportation costs associated with his or her selection. The registrant so states by checking block "12a" of the SPP Application form. Failure to check block "12a" negates such registrant's right to be registered in a different prime commuting area, unless management of the registrant's activity agrees to pay such PCS costs by checking block 20a of the registration form (a check of this block signifies that management will pay all expenses associated with such a move). Also, block 21 will include the following notation: "This registrant is in an activity coded "N" and is registering for a different "prime" commuting area.

(c) Within each commuting area listed in the position, registrants are further categorized by job/position type. This stratification, or breakdown, allows program directors to find commuting area registrants (if any) to determine placement rights of these registrants, and the possible impact of such registration on an activity's vacancies.

c. Part B of the SPP Bulletin

(1) Part B of the Bulletin contains a listing of CONUS registrants in pay band 3, 4 and 5 and UA/NS/GSE equivalents. It also includes employees in overseas nonforeign and foreign activities that are closing who are serving

under a Transportation Agreement. In this part, registrants are allowed to register for up to two commuting areas (other than their prime commuting area).

(2) Eligible Part B registrants may register for inclusion in Part B of the SPP Bulletin for positions below the pay band 3 (or other NAF equivalents). For example, a GSE-1702-05, Child Development Assistant Leader, could also register in Part B for a GSE-1702-04, Child Development Assistant position.

(3) Registrants in Part B should be advised to send a completed SF-171, a copy of their last two annual performance appraisals, and a copy of a recent Personnel Action, which depicts current base salary to all Navy NAF activities in the areas for which registered. Such information could play a critical role in ultimate consideration and selection.

(4) Part B registrants must signify on the registration form that the hiring activity is under no obligation to pay for related JTR costs when selecting a Part B registrant. (By checking "12a" the employee agrees to pay for such costs, if any, for him/herself.) Failure to check this block disqualifies registrants from Part B registration. (An exception to this rule is allowed when management of the registering activity has agreed to pay necessary PCS costs by checking block 20a of the SPP registration form.)

d. Updating Registration Data

(1) Original data registration will need updating in many cases (e.g., performance rating categories, home address, or changes to commuting areas code). Such changes will be made by the use of the same form used for initial registration, except that in the registration block of the form, the block titled "update" will be circled rather than "initial" registration block.

(2) Once the "update" block has been circled, the management representative completes the name, SSN and work phone of the employee desiring data change. Then, they merely use the appropriate block(s) on the form to furnish the data to be changed.

(3) The submitting management representative signs and dates the form. The completed form is sent to BUPERS (Pers-653) for database and registration changes. A copy of the registration change form is provided to the registrant, and a third copy placed in the activity's SPP registrant file, with a copy of the initial registration form.

e. Role of Registrant. The registrant is responsible for providing his/her registering activity personnel office with pertinent and timely changes.

f. Role of Registering Activity. The registering activity is responsible for updating registrant data (e.g., changes in employment category, actual date of BBA separation). This latter piece of information is vital in that it establishes the start of the final year of SPP registration.

g. Role of BUPERS. Upon completion of nine months of initial SPP registration, BUPERS (Pers-653) will request registering activities to update registrant's data (e.g., changes in performance category, date of BBA notice (if given)).

1105. Placement Priorities for SPP Registrants

a. Priority I - Placement Rights

(1) This priority is afforded to all registrants in Parts A and B of the SPP Bulletin who have an earned performance category of gold or silver.

(2) Part A registrants may freeze the filling of all NAF positions in Navy NAF activities in the registrant's commuting area other than those vacancies that are filled by employees in the same organization in which the vacancy exists.

(3) Part B registrants may freeze the filling of Navy NAF MWR vacancies that are to be filled by any applicant from outside of Navy NAF activities within the commuting area of the organization with the vacancy.

b. Priority II - Placement Consideration

(1) This priority is afforded to all registrants in Parts A and B of the SPP Bulletin who have an earned performance category of "bronze."

(2) Priority consideration means that management must consider such SPP registrants before applicants from other sources outside of the activity with the vacancy.

(3) Management is not required to justify why such registrants are not selected, although the selection file must reflect that they were considered.

1106. Job Offers

a. The SPP is meant to match eligible registrants with continuing positions (i.e., those positions established for more than 12 months). However, temporary positions must also be used for SPP registrants who have declared on their SPP registration form that they will accept temporary

employment. Registrants accepting such positions will remain in the SPP for further placement assistance, or until registration time runs out. Refusal of a temporary placement offer is not a basis for discontinued registration.

b. Navy NAF MWR activities may promote, reassign or detail current onboard employees without concern for registrants in the SPP. However, management is precluded from filling NAF MWR vacancies from any source outside the activity without first affording proper and required placement rights and consideration to SPP registrants.

c. All Navy NAF MWR activities in a commuting area must match or check each vacancy against Parts A and B of the bulletin, since registrants in those parts may have priority placement rights for which outside placement is being considered.

d. The job vacancy must always be no higher in a grade/pay band, and employment category, than that of the registrant.

(1) Salary is always a key consideration. While eligible C&T employees have grade and pay retention rights, all other NAF employees have no such rights.

(2) When discussing priority placement rights with registrants, management is under no obligation (except eligible C&T employees) to protect a registrant's salary/wage.

(a) Management can pay the registrant any amount within the pay band. If the employee does not agree to the offered wage or salary, then management is not obligated to offer the registrant the position.

(b) Under such circumstances, management must annotate on the recruitment SF-52 the reason(s) why the position was not offered/accepted by a SPP registrant with priority placement rights. Such annotation must include salary/wage offered and declined.

(c) Once management turns down such priority placement right registrants on the basis of salary, they cannot hire from other sources and offer or pay an outside applicant any more than they offered the SPP registrant. This condition will remain in effect for 6 months from the date the outside applicant comes on board.

(d) Priority I registrants can only be passed over, or nonselected, with the concurrence of the registering activity. Finally, prior to making an offer to an outside applicant when a matching Priority I registrant appears on the SPP, the hiring activity must first receive the concurrence of the BUPERS (Pers-653) SPP Program Coordinator.

e. Pay banding places more than one grade within a pay band. In matching vacancies with pay band registrants, it is sometimes necessary to do more than simply compare title, series, and grade/band. Instead, a PD match and comparison may be needed. (Many activities have kept their pre-pay band PDs. These PDs should help during such comparisons.)

f. The matching and comparing of PDs in such instances will be the responsibility of the hiring and registering activities. During this evaluation, management need not look for a perfect match. Instead, similarities in levels and types of duties and responsibilities are what counts. Where resolution cannot be reached by the reviewing activities, the case will be forwarded to BUPERS (Pers-65) for final decision.

g. If management has a vacancy for which more than one qualified and matching registrant is available on the SPP with the same placement priority, management may interview and select the registrant of their choice.

h. Management must select a matched and eligible Priority I registrant over a matched Priority II registrant.

i. When a match occurs between a position vacancy (scheduled to be filled from outside sources), and a Priority I registrant, management may conduct an interview with the registrant to discuss the position, salary and related matters. The position must be offered the registrant unless the registrant refuses management's salary offer.

j. Management has the right to establish salary for positions. However, salary should be commensurate with duties/responsibilities of the position, and the experience, training of the selectee.

k. Employee Availability

(1) If a job offer is made to a registrant in Part A of the SPP Bulletin, and he or she is still employed at the BRAC activity, the losing activity will release the employee no later than 30 days from the date of notification of selection by the gaining activity. Release time for Part B registrants will be no later than 45 days from registrant employee notification.

(2) All registrants no longer on Navy NAF MWR rolls are expected to report to work within 3 weeks of being offered and accepting a position as a result of BRAC registration. This time-frame allows the registrant to afford his or her current employer a 2-week notice of resignation. Failure to report to the hiring activity within the 3-week time-frame may be grounds to withdraw the position offer and elimination of continued SPP registration.

l. Declination of Offer. If a registrant turns down a job offer for which registered without a valid reason, the registrant will be removed from the SPP. The hiring activity, along with the registering activity, will decide if such refusal is grounds for termination of SSP registration. When these two activities fail to agree on such issue, the matter will be forwarded to BUPERS (Pers-65) for decision. Where there is agreement, the registering activity will take action through BUPERS (Pers-65) to eliminate the registrant from the SPP.

m. Notification of BUPERS. Job offers (including declinations) must be communicated to BUPERS (Pers-653) (by phone or fax) by the hiring activity no later than 2 workdays from date of an offer. Such information must also be communicated to the registering activity so that the registrant's SPP registration may be changed.

n. Trainee Positions. Trainee positions may be exempt from the SPP. However, BUPERS (Pers-653) should be notified in advance for SPP exemption before advertising. Also, such advertisements must state that the filling of the position(s) are exempt from the SPP per BUPERS (Pers-653) approval.

o. Documentation of Requests for Personnel Action

(1) On every personnel action for which an applicant outside of the activity is hired to fill a vacant NAF MWR position, the SF-52 must be annotated as to action required/taken as a result of SPP cross reference relative to the position to be filled.

(2) The activity must apply continuing issues of the SPP Bulletin until the vacant position is committed. This means that while an activity is free to recruit from outside sources because the SPP Bulletin is clear of a match against the advertised position, forthcoming and/or later received bulletins come into play until management has made an official offer.

p. Applying the SPP Bulletin

(1) SPP Bulletins will be published so that activities receive them by the fifteenth of each month. However, the fact that an activity failed to receive a given issue of the SPP Bulletin will not be an acceptable reason as to why it wasn't applied.

(2) The following procedure will be followed if the vacancy is to be filled from a source that requires SPP priorities to come into play:

(a) The activity with the vacancy must call the BUPERS (Pers-653) PC and inform that person of the title, series, grade/band, and employment category of the vacant position.

(b) Based upon input on-hand, relative to registrants and priorities of such, the PC will either give the activity permission to proceed with recruitment/fill action or apply SPP placement rules and inform the activity that it has a matched registrant.

(c) BUPERS (Pers-653) PC will fax to the activity a copy of the activity's SPP Bulletin code coverage of registrants for the latest issue of the bulletin.

1107. Relationship of the SPP to Other Placement Programs

a. DOD Reemployment Priority List (RPL).

(1) The DOD RPL allows all eligible NAF employees to register in this program for up to 1 year following their separation due to BBA. Such registration allows for priority placement rights only in the activity from which separated (which is of limited value at a closing activity) and priority consideration rights at other DOD NAF MWR activities in the registrant's commuting area.

(2) The SPP, by comparison, allows registration for only those employees actually scheduled for or separated at NAF MWR activities included on authorized BRAC listings. Also, such employees may be registered for up to 12 months before their positions are to be abolished due to BRAC (i.e., up to 1 year before such employees are due to receive BBA notices). Recognizing that such employees have a right to go on the RPL and the SPP for 1 year from separation, it follows that BRAC employees may be registered in the SPP and the RPL during the same period of time. A second and important difference are that SPP registrants have priority placement rights at all Navy NAF MWR activities in their total commuting area. Also, for those BRAC registrants working in commuting areas that provide limited opportunity for reemployment, registration is authorized in other commuting areas on a priority placement right basis. Finally, the SPP allows for worldwide registration for specified BRAC employees by use of PART B of the SPP Placement Bulletin.

(3) The SPP should only come into conflict with the DOD RPL in one rare instance - when a Priority I SPP registrant is matched against a vacancy for which a Navy RPL registrant also has placement rights (i.e., an identical position and employment category to the one from which the Navy RPL registrant was separated by BBA is available in the RPL registrant's previous organization). While such a case should be very rare, under these circumstances, the RPL registrant would be offered the position over the SPP Priority I registrant.

b. The Spousal Preference Program and the SPP

(1) The SPP does not come into play when an activity fills its vacancy with an onboard employee. However, the Spousal preference program applies under such circumstances. Therefore, when an activity has spousal preference candidates, and a match on the SPP (Part A or B), the SPP matched registrants will be considered as applicants for the position and compete with the spousal preference and in-house applicants.

(2) If the in-house applicant is considered better qualified than the spousal preference applicant, such selection will be made. If, however, the spousal preference applicant is considered to be as well or better qualified than in-house applicants, the SPP registrant's qualifications will be measured against those of the spousal preference applicant, and if better qualified, such SPP registrants will be offered the position over the spousal preference candidate.

c. The Involuntarily Separated Military Service Member (IVS) Program. Since the IVS program only comes into play during competitive actions and the SPP registrant represents noncompetitive actions, the IVS program is not a factor during SPP fill actions.

1108. Grievance Rights

a. Employees at BRAC installations have the right to grieve their non-inclusion in the SPP. Also, registrants may grieve registration content, non-selection, nonconsideration and related SPP matters.

b. Grievances pertaining to registration must be addressed to the program director of the registrant's activity. Grievances challenging selection, non-selection and/or nonconsideration must be addressed to the activity program director with the vacancy in question. Such grievances must be filed within the time frame allowed by the BUPERS (Pers-65) administrative grievance procedures in Chapter 6, or in keeping with applicable negotiated agreements, whichever is appropriate.

c. The two step processes for such grievances follows:

(1) First Step - To the appropriate program director (i.e., for registration issues, to the registering activity; for selections or nonselections, to the program director of the activity with the vacancy).

(2) Step Two - The commanding officer of the organization to which the first step was addressed.

BUPERSINST 5300.10
3 Dec 97

(3) The decision of the second level authority represents the final DON decision on the matter grieved.

d. In rare cases, registrants might want to grieve SPP procedural or program decisions that only BUPERS (Pers-65) can resolve. In such cases, BUPERS (Pers-65) will represent the first step in such grievances with BUPERS (Pers-6) as the second and final level of such grievances.

BRAC PLACEMENT ASSISTANCE PROGRAM - APPLICATION FORM
ACTIVITY
COMMUTING AREA CODE
RAMCAS CODE REGISTRATION

Initial: Update:

SECTION A: (To be completed by management in conjunction with employee)

1. _____
Employee's Name (Last) (First) (MI) SSN Work Phone

2. _____
Employee's Current Position (Title) Series Grade/Pay band

3. Do you desire placement assistance through the SPP?
YES _____ NO _____

3a. If you checked "NO" block, merely sign and date:

Signature (signifies non-interest in SPP registration at this date) Date

If the answer to question 3 is YES, please complete questions 4 through 11.

4. _____
Address (Street) (City) (ST) (Zip Code) () Home Phone

5. Employment Category: RFT _____ RPT _____ FLEX _____

6. Earned Perf. Category (Check one): GOLD _____ SILVER _____ BRONZE _____

7. Projected date of position abolishment (month/year) _____

8. Lowest grade/pay band employee is willing to accept in current title, series
_____.
a. If not interested in being considered for such, please check _____.

9. Are you willing to accept employment in a temporary position or a lower employment category
(please check appropriate box):

a. Temporary position? YES _____ NO _____ b. RPT Position? YES _____ NO _____
c. FLEX position? YES _____ NO _____

NOTE: Employees accepting temporary positions or lower employment category positions will remain
in the SPP for further placement assistance.

10. List one other position, of equal or lower grade (title, series, grade/pay band) than the
position you currently hold, for which you qualify and would like placement assistance: _____

11. By signing below employee acknowledges that he/she is responsible for providing the activity
personnel office with pertinent changes that impact on this registration such as home or work
phone number(s), home address change, or when no longer available or interested in placement
assistance. Failure to provide such information may be the basis for removal from the program.

Name of mgmt official who assisted Date Signature of Employee Date
in registration
=====

BUPERSINST 5300.10
3 Dec 97

Pay band 3, 4, 5 employees and UA/NS equivalents desiring placement assistance outside of their current commuting area must complete Section B (on reverse side). If employee does not desire placement assistance outside of his/her commuting area, form is complete for submission to BUPERS by the registering activity.

SECTION B: (To be completed for/by employees in pay bands 3, 4 and 5 and UA/NS equivalents who desire placement assistance outside of their commuting area)

12. What is/are your commuting area preference(s)? (Please number in order of preference, no more than two (2) choices).

COMMUTING AREA PREFERENCE(S): (Refer to the SPP Handbook)

A = CORPUS CHRISTI _____	F = NORFOLK _____	K = SAN FRANCISCO/OAKLAND ____
B = D.C. (includes MD & VA) _____	G = PATUXENT RIVER _____	L = SEATTLE _____
C = JACKSONVILLE _____	H = PENSACOLA _____	M = VENTURA _____
D = LOS ANGELES _____	I = PHILADELPHIA _____	N= OTHER (Specify)
E = NEW ORLEANS _____	J = SAN DIEGO _____	

13. Number of family members, if any, who would relocate with you? ____ N/A ____

14. Would employee be willing to:

- a. Pay all moving expenses? ____ b. Pay partial moving expenses? ____
c. Unwilling to pay any part of moving expenses? ____

15. _____ Comm: () - DSN: -
Immediate Supervisor's Name Phone Number(s)

16. In order to assist in obtaining continued employment with Navy MWR, I authorize release of the information contained in this application. (Failure to sign such authorization makes such employee ineligible for SPP registration).

Employee's Signature

Date Signed

SECTION C: (To be completed by the MWR Department)

17. _____ 18. _____
Program Director (Name) Phone Number Projected Date of Base/
Activity Closure/Realignment

19. _____
Name of Activity BRAC Point of Contact for Personnel Matters Phone Number

20. If funds are available, will this activity pay any or all expenses associated with the relocation of this employee (please check appropriate box below)?

- a. Pay all expenses ____
b. Pay portion of expenses ____
c. Will not pay any expenses ____
d. Unable to determine at this time ____

21. Additional Comments/Information:

Figure 11-1a

CHAPTER 12

NONAPPROPRIATED FUND (NAF) TRAVEL

1201. Purpose. To provide guidance concerning Temporary Additional Duty (TAD) travel paid for by Navy MWR NAF.

1202. Policy and Scope. It is DON policy to follow the guidelines established in Joint Travel Regulations (JTR), volumes 1 and 2, for travel funded with nonappropriated funds. The travel guidance in this chapter summarizes the main points of the JTR as well as supplements the JTR guidance for personnel whose TAD travel is paid with Navy nonappropriated funds. NAF policy may be more stringent than the JTR, but per chapter III, paragraph 2 of reference (a), it may not exceed the JTR without BUPERS' (Pers-65) approval. Contact BUPERS (Pers-652) for further information, if needed.

1203. Types of Temporary Travel

a. TAD. This type applies to a member who is temporarily detached from the permanent duty station to perform duty at another location, either within or outside the continental U.S. Upon completion of the TAD, the employee returns to the permanent duty station and resumes the regularly assigned duties. NAFIs will not direct civilian employees to perform official travel without furnishing or providing for reimbursement for necessary transportation and travel allowances.

b. Invitational Travel Orders (ITO's). This term applies to travel which may be authorized for persons who are not Federal Government employees or members of the Uniformed Services when they are acting in a capacity that is directly related to, or in connection with, official activities of the DOD. JTR, volume 2, paragraphs C3106 and C6000 through C6003, sets forth (1) the circumstances under which orders of this type may, and may not, be issued; (2) the travel entitlement of persons performing this travel; (3) the modes of transportation which the traveler is authorized to use; and (4) a sample order format. ITO's for the Navy are issued using an NAVSO Form 4650/10 (Invitational Travel Orders (ITO)). Individuals receiving ITO's may not be paid a travel advance.

c. TAD "No Cost" (Permissive) Travel Authorizations. On certain occasions, travel may be desirable from the Navy's viewpoint but not sufficiently necessary to warrant the expenditure of limited travel funds. Under these circumstances, an authorization may be issued, as distinguished from directing, for the individual concerned to travel at no expense to the government. The travel authorization block must contain the following statement:

"This authorization is issued with the understanding that you will not be entitled to reimbursement for transportation, per diem, or

miscellaneous expenses in connection therewith. In case you do not desire to personally bear this expense, you will consider this authorization canceled."

The traveler must sign after this statement. Condensed versions of the above statement, e.g., "No cost to the Government" or similar abbreviated phraseology will not be used. Claims by individuals whose orders do not include the complete, unabbreviated statement set forth above may subsequently be determined to be proper for payment regardless of the order writer's intent.

1204. Criteria for Travel

a. Mission Essential. The definition of mission essential travel is travel necessary to carry out a basic mission objective. Prior to approving travel fitting this definition, alternatives such as correspondence, teleconferencing or combining trips to the same area, in order to accomplish multiple purposes, must be considered. Once the necessity for the travel has been established, the approving official must ensure that the number of personnel authorized to travel and the duration of the travel is held to an absolute minimum consistent with the nature and urgency of the mission to be performed.

b. Administrative. The definition of administrative travel is travel which could be canceled without directly impacting on the essential or basic mission objectives of the MWR activity, or which could be achieved by alternate means. Examples of administrative travel are coordination visits between activities or training courses not specifically required for job performance. Travel that meets this definition must be held to the absolute minimum.

1205. Travel Purpose Categories. Depending on the purpose of the TAD, one of the following categories must be entered in block 16 (Remarks Section) of the TAD orders, DD Form 1610. Figure 12-1 is an example of DD Form 1610.

a. Site Visit. Travel to a particular site in order to personally perform operational or managerial activities (e.g., to oversee program activities, or manage activities for internal control purposes; carry out an audit, inspection, conduct negotiations; provide instructions; or provide technical assistance).

b. Information Meetings. Travel to attend a meeting to discuss general agency operations, review status reports, or discuss topics of general interest. If a site visit was conducted as part of the same trip, consider the entire trip to be for the purpose of a site visit.

- c. Training Attendance. Travel is to receive training.
- d. Speech or Presentation. Travel to make a speech or a presentation, deliver a paper, or otherwise take part in a formal program other than a training course.
- e. Conference Attendance. Travel to attend a conference, convention, seminar, or symposium for purposes of observation or education only with no formal role in the proceedings.
- f. Special Mission Travel. Travel to carry out a special agency mission; (e.g., noncombat military units); provide security to a person or a shipment (such as a diplomatic pouch); move witnesses from residence to other locations; travel by Federal beneficiaries and other nonemployees.
- g. Emergency Travel. Travel to return an employee from a temporary assignment location at government expense to his or her designated post of duty or home, or other alternate location, where he or she would normally be present to take care of the emergency situation if the government had not directed or assigned the employee to another location to perform official business.
- h. Other Travel. All travel performed for reasons (purposes) which are not shown in one of the other nine categories listed above. Even though stated as "other travel," travel authorization and voucher must also detail a specific purpose.

1206. Administration of TAD Travel

- a. Applicability. This chapter is applicable to all individuals authorized to travel using NAF.
- b. Approval. Travel will be ordered and performed using an approved and authorized DD 1610 (civilians) or NAVPERS 1320/16 (active duty personnel). The Order Authorizing Officials (block 20) are the program director/deputy director (e.g., the MWR director or BQ manager) of the activity.
- c. Passports, Visas, Immunizations, and Clearances. The instructions for obtaining passports, visas, immunizations, and area clearances are found in NAVMEDCOMINST 6230.3 (Immunizations) and DODI 4500.54G (Foreign Clearance Guide). It is the traveler's responsibility to obtain the required passport, visas, immunizations, and area clearances prior to travel outside CONUS.
- d. Use of Government Quarters. When available, civilian NAF employees are required to use adequate government quarters. Failure to do so will

disallow the payment of the quarters portion of the per diem. Quarters are determined to be adequate or inadequate by each base or installation commander. Government lodging, including contract quarters and messing availability, must be confirmed when a reservation is requested on a military installation. If lodging and/or messing is not available, the traveler will be provided with a Certificate of Nonavailability (CNA) number which must be entered on the orders or travel claim. If the traveler is unable to obtain a CNA number verifying Nonavailability, an annotation must be made on the orders or travel claim, with the date and time the attempt was made. Subject to management approval, employees that can be exempt from the requirement to stay in government quarters are:

(1) Those whose normal duties require them to be in a travel status in excess of 50 percent of the total weeks worked during a fiscal year or a minimum of 131 travel days including weekends and holidays. Excluded from normal duties is attendance at training courses, conferences, meetings, seminars and similar functions.

(2) Those traveling to a particular city where commuting from the nearest DOD installation having available quarters would not be feasible in conjunction with assigned TAD.

(3) Those who have attempted to make advance reservations and find that adequate government quarters are not available are not required to seek government quarters at an alternate installation. Travel orders must authorize use of commercial lodging or provide a statement approving the use of commercial lodging with the travel claim.

e. Standards of Conduct. Employees in a travel status are to adhere to the Standards of Conduct as found in chapter 9 of this manual.

f. Prudence in Travel. A traveler on official business will exercise the same care in incurring expenses and accomplishing a mission that a prudent person would exercise if traveling on personal business. Unnecessary or unjustified excess costs, circuitous routes, delays, or luxury accommodations in the performance of a mission are not considered prudent.

g. Beginning and Completing Travel. Whenever possible, travel will be scheduled so that employees may travel during normal working hours and not on their own time. However, no more than 1 3/4 days of per diem may be paid in connection with this travel (e.g., employee departs duty station at 0800 and arrives at TAD station at 0800 48 hours later, only 1 3/4 (42 hours) of per diem is authorized)).

h. Transportation. Travelers are expected to select the least costly route. When a traveler takes leave while traveling, in no instance can the costs of the personal travel and business travels be combined and charged as a government business expense. Personal travel must be paid using personal funds. If the leave would provide ticketing at no additional costs to the government, then the justification for the purchase must accompany the travel orders request prior to signature. When, for convenience, a person travels by an indirect route or interrupts travel by a direct route, the extra expense will be borne by the traveler. Any excess travel time not justified will be charged to the traveler's annual leave balances (leave without pay if no annual leave available). The following modes of transportation may be utilized:

(1) Air Transportation

(a) Class of Air Service. Coach class is prescribed for all travelers. Exceptions are: (1) an upgrade of service is received at no additional cost to the government; (2) a traveler pays direct the difference between coach and a higher class of service at the time the ticket is purchased.

(b) In all cases, it is the responsibility of the employee to justify the reasons for upgrade from coach class services. In instances where upgraded service is used, regardless of circumstances, the traveler must attach a written statement to their travel claim detailing the circumstances for use of such service.

(c) Purchase of Tickets. The purchase of airline tickets in advance of having obtained a travel order number is prohibited. However, travelers are encouraged to obtain orders and purchase tickets as early as possible to take maximum advantage of fare discounts.

(d) Penalty Payments from Carriers. Payments received from a carrier for failure to provide confirmed reserved space are due to the MWR activity. It is the responsibility of the traveler to report such payments.

(e) Voluntarily Vacating Seat. Payments received from a carrier for voluntarily vacating a seat because of over booking are distinguishable from penalty payments and can be retained by the traveler. Travelers are not expected to voluntarily give up their reserved seat if doing so would impinge upon the performance of official duties. If the traveler voluntarily gives up his or her seat and thereby incurs additional travel expenses beyond that which would have normally been incurred, these additional expenses must be offset against the payment received by the traveler. Additionally, if giving up the seat delays the traveler during official duty hours, the traveler must be charged leave for the additional hours.

(f) Cancellation of Tickets. Travelers who have a change in itinerary which necessitates the cancellation of airline tickets must turn in the canceled tickets and/or credit slips to the MWR activity with the travel claim. Notification to an airline that a flight will not be taken does not constitute an automatic refund of the fare. Never throw tickets or ticket stubs away; always submit them with the travel claim.

(2) Surface or Ship Transportation. When surface or ship transportation is used, coach or equivalent will be used if available. One standard lower berth on a train or the lowest priced stateroom on a vessel is authorized for overnight travel.

(3) Bus, Streetcar, Subway, and Taxicabs. Transportation costs by bus, streetcar, or subway to connect with carrier terminals and between temporary duty station and place of lodging are allowable as transportation expenses. Taxicabs are authorized for use when suitable government-owned or leased transportation or common carrier facilities, including airport limousine service, are not available. Reimbursement of taxicabs for employees in a temporary duty travel status is restricted to the circumstances outlined below:

(a) Between the common carrier terminal and the employee's place of business or place of lodging.

(b) Between common carrier terminals while en route when necessitated by change from one common carrier to another.

(c) Between temporary duty station and a place where meals are procured when suitable meals cannot be obtained at the temporary duty station (a statement of necessity for such travel should accompany the travel voucher).

(d) Between common carrier terminal and place of lodging in connection with unavoidable delays en route incident to transportation.

(e) Between place of abode or permanent duty station on the days of departure and return to the permanent duty station incident to temporary duty requiring at least 1 night's lodging.

(4) Use of Helicopter. The use of an air taxi is not considered essential. When circumstances appear to dictate the use of a helicopter, the orders must contain such authorization.

(5) Use of Rental Vehicles, Government Vehicles, etc. (Special Conveyance). Special conveyance such as rental or hire vehicles may be used

by employees in a temporary duty travel status, if their use is authorized in travel orders also. The use of a MWR vehicle is an alternative for avoiding the cost of renting a vehicle from a commercial rental company. This alternative should be pursued unless such an action would clearly be prejudicial to the objectivity of the visit. Vehicle rentals may be allowed in lieu of a common carrier when the cost of the rental would be less than that cost of a common carrier (i.e., several people traveling together or where there are no direct common carrier routes). If a commercial rental is necessary, a statement to that effect must be included in the travel orders. Least expensive adequate rental vehicles will be used. Travelers will be reimbursed up to the compact rate even if intermediate or luxury cars are rented. An upgrade to a larger vehicle is authorized when three or more travelers are sharing the rental conveyance. Rental vehicle use is limited to official purposes only. This would include places incident to travel where the employee is required to be such as to and from temporary lodging, obtaining suitable meals, drugstores, barber shops, places of worship, cleaning establishments and similar places necessary for the overall sustenance, comfort, or health of the employee.

(6) Travel by Privately Owned Vehicle (POV). POV usage may be authorized for employees while on official business. This usage may not be directed but will be permitted when requested by the employee and it is considered to be advantageous to the Government. Travel by POV must be authorized in the travel orders.

(a) When traveling by POV, the points between which travel was performed must be shown on the travel claim. Any unusual conditions or circumstances which may affect mileage allowances must be explained since mileage will generally be limited to official mileage tables.

(b) When travel by POV has been authorized for the convenience of the traveler, total per diem will not exceed that payable for constructive travel. A statement by the employee explaining the constructive cost comparison must accompany his or her travel claim. Constructive transportation cost to the Government will be computed on the basis of rates or charges for the most direct, least costly common carrier transportation between authorized points.

(7) Receipt Retention Level. Retention of receipts is required only for purchases above the \$75 level. Exception: all receipts (regardless of the amount) for lodging (military and civilian), and hire of special conveyance (rental cars, boats, planes, etc.), are required.

i. Completion of TAD Travel Orders. All NAF employees must use DD Form 1610 (example at Figure 12-1) in connection with official temporary duty

BUPERSINST 5300.10
3 Dec 97

travel. Preparation of the form is, for the most part, self-explanatory. In general, it should be completed as follows:

- | <u>Item #</u> | <u>Explanation</u> |
|---------------|--|
| 1. | Enter day, month, year. |
| 2. | Enter name and SSN of a traveler |
| 3. | Enter position title and grade or rating as appropriate |
| 4. | Enter name and location of permanent duty station |
| 5. | Enter division, branch, section or unit to which traveler is assigned. |
| 6. | Enter permanent duty station phone number |
| 7. | Enter as appropriate - e.g., single, group, etc. |
| 8. | Security clearance - list degree of security clearance held by traveler, e.g., position of trust |
| 9. | The purpose of the travel must be clearly defined, e.g., to attend meetings with _____ to discuss _____, or to participate in a working group to (assist, define, resolve, etc.) _____, etc. |
| 10. | (a) Self-explanatory.

(b) Indicate beginning travel and estimated departure date. |
| 11. | Itinerary - indicate places from and to which travel is authorized and return point. If a route is altered, an amendment/modification must be completed. |
| 12. | Indicate in the blocks provided the mode(s) authorized. If travel is to be by POV indicate whether it is considered advantageous to the government or would be reimbursed solely as constructive travel. If either block is marked, a statement must accompany the order which shows the cost comparisons and rationale for requesting use of POV. |
| 13. | When JTR rates are to be paid, mark the block with (x) preceding the words Per Diem authorized in accordance with JTR. If the rate is something other than normal JTR allowance, i.e., reduced, mark the block preceding by Other Rate of Per Diem and enter the reduced rate. |

14. Per Diem rates can be obtained via the JTR, the base Comptroller, or by contacting BUPERS (Pers-652F). Per diem updates will also be communicated via Under Currents. Multiply the per diem rate by the number of days in each locality. Travel - cost of travel is recorded at cost depending on type of transportation to be used. The cost of travel should be indicated in all instances. Other - anticipated out-of-pocket expenses not covered by per diem or travel entitlement. The amount is limited to 10 percent of the estimated per diem for the trip unless specific expenses are known that are not covered by per diem or travel. For these expenses, a memo explaining the increase must be attached to the travel orders. The out-of-pocket expenses to be included are car rental when authorized and not billed directly to the MWR activity, taxicabs when authorized, official phone calls, and conference fees when not paid in advance.

15. Advance Authorized - advances are to be computed at 80 percent of the estimated per diem, travel and other if the total exceeds \$50. Other expenses prepaid by the MWR activity cannot be used in computing the advance.

16. Remarks - the purpose of the remarks section is to request and receive authorization for additional requirements and to provide instruction to vendors (i.e., hotels and car rental agencies). If lodging and/or messing is not available, provide the nonavailability number in this block. The additional requirements and instructions most frequently used by travelers are listed below. Travelers are to use only those that pertain to a specific trip. Only the information provided in the remarks section is considered as reimbursable to the traveler.

- a. Government quarters authorized.
- b. Commercial quarters authorized - TAD not performed at government installation.
- c. Commercial quarters authorized - Adequate government quarters not available.
- d. Taxi in and around TAD sites authorized.
- e. Explanation of "Other" expenses, e.g., a rental car, a conference registration fee which includes meals, etc.
- f. Excess baggage authorized (only for frequent travelers).
- g. Authorized exchange privileges in accordance with DOD Directive 1330.9 (Armed Services Exchange Regulations) and the Navy Exchange Manual, 2604-8.

h. All expenses incurred in the execution of these orders are exempt from state and local taxes.

17. Requesting Official - applicable to program director, deputy, section heads, traveler, etc.

18. Approving official - business manager, financial manager, etc.

19. Insert "travel funded by (appropriate NAF activity/code)."

20. Order authorizing official - program director/deputy.

21. Self-explanatory.

22. Obtained from business office.

j. Travel Order Endorsements. It is sometimes necessary to change travel orders after the original DD 1610 has been prepared and authorized. Orders may be endorsed or amended to reflect these changes. This may be accomplished by preparing an endorsement to the original orders, signed by the applicable authorizing official, denoting the specific changes to the original DD 1610.

k. Rest Stops

(1) General. When travel is direct between duty points which are separated by several time zones and at least one duty point is outside CONUS, a rest period not in excess of 24 hours may be authorized or approved when air travel between the duty points in by less-than-first-class accommodations and the scheduled flight time (including stopovers of less than 8 hours) exceeds 14 hours by a direct or usually traveled route.

(2) Location of Rest Stop. The rest stop may be authorized at any intermediate point, including points within CONUS, provided the point is midway in the journey or near to midway as requirements for use of U.S. flag air carriers and carrier scheduling permits.

(3) Travel Indirect Route. A rest stop will not be authorized when an employee, for personal convenience, elects to travel by an indirect route resulting in excess travel time.

(4) Per Diem. The per diem rate for the rest stop will be the rate applicable for the rest stop location.

(5) Rest Period Before Reporting for Duty. When carrier schedules or the requirements for use of U.S. flag air carriers preclude an intermediate rest stop, or a rest stop is not authorized, it is recommended that the

employee be scheduled to arrive at the temporary duty point with sufficient time to allow a reasonable rest period before reporting to duty.

1207. Temporary Duty. Assignment away from the permanent duty station not to exceed 180 days.

a. Temporary duty of an employee includes the following situations.

(1) Assignments of a temporary nature away from an employee's permanent duty station.

(2) Attendance at training courses, technical, scientific, professional meetings, and conferences conducted by governmental and non-governmental organizations.

(3) Witness duty on behalf of the Government, DOD, or Navy.

(4) Federal employment administrative hearings as they relate to the employee.

(5) Interview travel for prospectively new hires when considered justified.

(6) Participation in civil defense activities as authorized and directed.

1208. Per Diem. Per Diem allowances will be paid to employees as prescribed in JTR, volumes 1 and 2. Per diem is not allowed when the period of travel is 10 hours or less (actual travel time). Per diem is payable for whole days; exception is 75 percent of the appropriate meals and incidental expense rate will be paid for day of departure and day of return, regardless of departure/return time.

1209. Travel Within CONUS. Per diem for travel within CONUS, unless specified differently in the travel orders, is based on the lodging-plus system. With this system, the per diem allowance for each day of temporary travel is established on the basis of the actual amount the employee pays for lodging plus a prescribed amount for meals and incidental expenses (M&IE) with the total amount not to exceed the applicable locality rate authorized. The M&IE rates are set by locality. Lodging receipts are required for reimbursement and will be paid up to the maximum authorized for each location. Excess lodging costs must be preapproved by the program director/deputy.

a. Employees should fill the gas tank before returning a rental vehicle. The employee could be held responsible for excessive gasoline costs charged by the rental car company if the tank was not filled prior to returning the car.

BUPERSINST 5300.10
3 Dec 97

b. Whenever meals and lodging are provided to an employee without cost, per diem is set at \$2/day CONUS and \$3.50 OCONUS (refer to JTR, para. C4556 for incidentals).

c. If a lodging receipt shows a charge for double occupancy, the travel voucher should explain why. Only one-half of the double occupancy charge will be allowed if the second person is a government employee on official travel. If the second person is a non-government employee on official travel, only the single room rate will be allowed.

d. When an employee obtains lodging with friends or relatives with or without charge, no amount will be allowed for lodging.

e. For computation of the M&IE rate when meals have been furnished (e.g., meals furnished as part of a registration fee), the following is an example of the cost breakdown:

	<u>M&IE Rates</u>	
	Memphis	Washington, DC
	<u>\$30</u>	<u>\$38</u>
Breakfast	6	8
Lunch	6	8
Dinner	16	20
Incidentals	2	2

f. Computation

(1) 10 Hours or Less. No per diem is allowed for travel of 10 hours or less within the same calendar day.

(2) More than 10 Hours. When travel is more than 10 hours but less than 24, 75 percent of the appropriate M&IE rate will be paid.

(3) Travel of 24 Hours or More. The per diem rate will be determined by the travel status and location of the employee at the 2400 hour and whether lodging was required.

(4) Day of Departure/Day of Return. For Day of Departure:

(a) With lodging. When lodging is required on the day travel begins, the employee will be reimbursed for the actual cost of lodging up to the maximum prescribed for that locality plus the allowable portion of the M&IE rate.

(b) Without lodging. When lodging is not required on the day travel begins, the per diem will be computed as 75 percent of the appropriate meals and incidental expense rate.

(c) Day of Return. For the day travel ends, the per diem allowance will be computed as 75 percent of the appropriate meals and incidental expense rate.

(5) Travel by POV. Maximum reimbursable mileage rates for POVs are:

(a) Motorcycle = \$.25/mile.

(b) Vehicle = \$.31/mile.

(c) Airplane = \$.85/mile.

(6) Reimbursable Expenses. Meals and Incidental Expense (M&IE) allowances are intended to cover most of the incidental expenses for a traveler on orders. However, certain expenses are reimbursable as separate items. These include:

(a) Taxis when authorized in travel orders.

(b) Rental cars when authorized in travel orders.

(c) Gas for rental cars and government vehicles.

(d) Parking, road and bridge tolls.

(e) Streetcar, subway or bus transportation when authorized in travel orders.

(f) Excess baggage when authorized in travel orders.

(g) Conference fees.

(h) Travelers checks fees, money orders purchased in connection with travel.

(i) Passports, Visas, and photographs as required for business travel.

(j) Charges for inoculations which cannot be obtained through a Federal dispensary for travel OCONUS.

(k) Currency conversion charges and exchange fees.

(l) Airport fees such as embarkation, debarkation, airport taxes as assessed to the traveler upon arrival or departure from terminals CONUS/OCONUS.

(m) TV rental in BOQ/BEQ.

(n) Telephone service for official local calls - must submit phone bill with travel claim. Official long distance calls - must submit phone bill with travel claim, authorized by approving official.

(o) Nonrefundable rent/room deposits are reimbursable if, through no fault of the employee, a trip is canceled.

1210. Claims for Reimbursement of Travel and Transportation Expenses. All travelers must submit travel claims for reimbursement within 10 calendar days of completion of travel. If a traveler is on an extended temporary assignment, claims must be submitted at least every 30 days. Earlier submission of claims is strongly recommended for it speeds processing time and reimbursement to the traveler. Payment will be made within 10 working days of receipt of travel claim. If after 90 days, a travel claim remains unsubmitted, no reimbursement for travel for the trip will be paid and the advance will be reclaimed by pay checkage.

a. **Temporary Travel on Orders.** When traveling on orders, travelers must submit their travel claims on a DD 1351 Travel Voucher. Care should be used in filling out this form so as to not delay its processing. If explanations are necessary for unusual items, attach a memorandum explaining the claim and its justification for reimbursement. The claim form must be accompanied by:

(1) Commercial or government lodging receipts.

(2) Airline tickets, airline ticket stubs and airline credits regardless of payment method.

(3) Rental car receipts.

(4) Original copy of travel orders and amendments, if applicable.

1211. Leave While on Orders. When on leave while traveling, the Leave Statement, line 8, of the travel claim must be completed and the period of leave must be listed in the itinerary. If leave of more than 1/2 of the prescribed daily working hours is taken, no per diem can be allowed for that day. Federal holidays and weekends are not considered workdays. Employees are paid per diem on nonworkdays until they return to their official duty station or place of abode, except in the following circumstances:

a. When employees are in a leave status at the end of the workday before the nonworkday and at the beginning of the workday following the nonworkday; and

b. The period of leave on either of those days is more than 1/2 of the prescribed working hours for that day.

1212. Promotional Frequent Flyer/Programs and Discounts. Consistent with rulings made regarding forms of tangible and intangible gifts, prizes, bonus plans, reduced fare coupons, etc., as offered by commercial transportation enterprises, the following applies:

a. Employees must account for any gifts, gratuities, or benefits received from private sources incident to the performance of official travel. These promotional materials are considered to be due to the activity, and may not be kept by the employee. It is the traveler's responsibility to return these materials to the activity within 1 week of receipt.

b. An employee who participates in a promotional program which will accrue personal benefits such as membership in clubs, and check-cashing privileges, does not have to turn in these benefits since they have no value to the local activity.

REQUEST AND AUTHORIZATION FOR TDY TRAVEL OF DOD PERSONNEL <i>(Reference: Joint Travel Regulations)</i> Travel Authorized as Indicated in Items 2 through 21.								1. DATE OF REQUEST	
REQUEST FOR OFFICIAL TRAVEL									
2. NAME <i>(Last, First, Middle Initial)</i>					3. POSITION TITLE AND GRADE OR RATING				
4. OFFICIAL STATION					5. ORGANIZATIONAL ELEMENT			6. PHONE NO.	
7. TYPE OF ORDERS			8. SECURITY CLEARANCE		9. PURPOSE OF TDY				
10a. APPROX. NO. OF DAYS OF TDY <i>(Including travel time)</i>			10b. PROCEED O/A <i>(Date)</i>						
11. ITINERARY <input type="checkbox"/> VARIATION AUTHORIZED									
12. MODE OF TRANSPORTATION									
COMMERCIAL				GOVERNMENT			PRIVATELY OWNED CONVEYANCE <i>(Check one)</i>		
RAIL	AIR	BUS	SHIP	AIR	VEHICLE	SHIP	RATE PER MILE: <input type="checkbox"/> MORE ADVANTAGEOUS TO GOVERNMENT <input type="checkbox"/> MILEAGE REIMBURSEMENT AND PER DIEM LIMITED TO CONSTRUCTIVE COST OF COMMON CARRIER TRANSPORTATION AND RELATED PER DIEM AS DETERMINED IN JTR. TRAVEL TIME LIMITED AS INDICATED IN JTR.		
<input type="checkbox"/> AS DETERMINED BY APPROPRIATE TRANSPORTATION OFFICER <i>(Overseas Travel only)</i>									
13. <input type="checkbox"/> PER DIEM AUTHORIZED IN ACCORDANCE WITH JTR. <input type="checkbox"/> OTHER RATE OF PER DIEM <i>(Specify)</i>									
14. ESTIMATED COST								15. ADVANCE AUTHORIZED	
PER DIEM		TRAVEL			OTHER		TOTAL		\$
\$		\$			\$		\$		
16. REMARKS <i>(Use this space for special requirements, leave, superior or 1st-class accommodations, excess baggage, registration fees, etc.)</i>									
17. REQUESTING OFFICIAL <i>(Title and signature)</i>					18. APPROVING OFFICIAL <i>(Title and signature)</i>				
AUTHORIZATION									
19. ACCOUNTING CITATION									
20. ORDER AUTHORIZING OFFICIAL <i>(Title and signature)</i> OR AUTHENTICATION						21. DATE ISSUED			
						22. TRAVEL ORDER NUMBER			

CHAPTER 13

CIVILIAN NONAPPROPRIATED FUND INSTRUMENTALITIES

1301. Purpose and Scope. Per SECNAVINST 5300.22C, the policies established in this chapter govern the establishment, disestablishment, administration, and control of civilian NAFIs throughout the DON.

1302. Policy. The DON advocates the establishment of well-rounded MWR programs to promote the mental and physical health of its personnel and to assist in the recruitment and retention of civilian employees. To that end, civilian NAFIs may be established.

1303. Responsibilities

a. Program management of DON civilian NAFIs is vested in BUPERS (Pers-65). Program management responsibilities include:

(1) Administration of total employee benefits program, (e.g., retirement system, workers' compensation, health insurance, unemployment compensation, etc.).

(2) Maintenance of appropriate regulations and instructions.

(3) Authority to approve the establishment and disestablishment of civilian NAFIs.

(4) Supplement chain of command audits and reviews through conduct of fiscal oversight reviews and review of local audit reports of individual NAFIs.

(5) Management and control of the Navy Central Civilian Fund, (i.e., BUPERS (Pers-65) will act as the governing board).

(6) Redistribution of NAF assets among civilian NAFIs, as appropriate, for their collective interests.

(NOTE: Redistribution of civilian NAFI funds to military NAFIs, and vice versa, is prohibited.)

(7) Training of civilian NAFI employees, supervisors, and managers.

(8) Oversight, review, and evaluation of the total civilian NAFI program, including operational and financial management and civilian personnel.

(9) Issuance of regulations supplementing this chapter to ensure the effective operation of the civilian NAFI program.

b. Heads of activities/commands (e.g., local commanding officers) have command responsibility and authority for management of civilian NAFIs. Heads of activities and commands will:

(1) Determine the need for and supervise the operation of approved civilian NAFIs.

(2) Ensure the effective administration, financial stability, and proper use and dissolution of civilian NAFIs located at the activity.

(3) Ensure that no official or employee receives extra remuneration for duty concerned with supervision or control of a civilian NAFI, and that no official or employee accepts any gifts, privileges, or other favors from civilian NAFIs, or from concessionaires, vendors, or others doing business with, or for, a civilian NAFI.

(4) Ensure the proper administration of personnel management programs to govern the employment rights, benefits, and privileges of direct hire employees of civilian NAFIs and conditions of employment.

(5) Ensure observance of applicable laws, executive orders, and regulations by concessionaires serving civilian NAFIs.

1304. Authorized Activities and Exclusions

a. The following types of civilian NAFIs are authorized:

(1) Civilian Food Service Activities. NAFIs in this category are authorized for the operation of approved food and related services and facilities primarily for the use of civilian employees of Navy activities.

(2) Civilian Welfare Activities. These activities are authorized for the conduct of approved welfare functions and services which will promote the morale and well-being of all employees of the activity or command.

(3) Civilian Recreation Activities. These activities are authorized for the conduct of approved recreational and leisure time programs, events, facilities, and services for all employees of the activity or command.

(4) Civilian Miscellaneous Activities. In unusual circumstances, a need may exist for special facilities and services not provided for under the categories listed above. In these instances, the establishment of such a civilian NAFI requires the prior approval of BUPERS (Pers-65).

b. Exclusions. The following types of activities are not civilian NAFIs or instrumentalities of the Federal Government and, hence, not subject to this chapter.

(1) Voluntary Associations of Individuals. Such associations and their funds, organized by and for groups of employees for fraternal, charitable, religious, and other objectives, but not specifically authorized under this chapter, are not civilian NAFIs.

(2) Personnel Service Organizations. Some activities authorized by statute or DON regulations are not civilian NAFIs. These include credit unions, banking facilities, American National Red Cross, Navy Relief Society, and recognized employee groups and unions.

(3) Informal Employee Groups. Intra office or activity/command groups of employees established solely for the purpose of providing flowers or gifts on such occasions as illness, marriage, retirement, or death or informal coffee messes are not civilian NAFIs.

1305. Operating Principles

a. Employees paid from APF will not be used in operating civilian NAFIs during the official working day, except that incidental time of such employees may be used in limited welfare operations, provided such functions do not interfere with regularly assigned duties. Command and control functions, e.g., participation in a civilian NAFI governing board or control, are not operational functions; therefore, APF employees may be utilized in such functions.

b. Civilian NAFIs may not purchase real estate in their own name, that of DON, or that of the activity or command.

c. Activity heads/heads of commands (e.g., local commanding officers) may authorize the use of space and furnishings and equipment for operation of civilian NAFIs. Maintenance and repair of space, furnishings, and equipment so authorized will be provided from APF.

d. Personnel responsible for the custody of funds of civilian NAFIs will be bonded. Payments for these bonds will be made from NAF.

e. Audits of civilian NAFIs will be conducted at least annually by local commands. Copies of all audits will be provided to BUPERS (Pers-652).

f. Incentive or honorary cash awards may be granted only to NAF employees of the individual civilian NAFIs. Civilian NAFI funds may not be expended on awards for APF employees.

CHAPTER 14

NAF/GS EMPLOYEE INTERCHANGE AGREEMENT

1401. Policy. In accordance with the authority provided in Section 6.7 of the Civil Service Rules, and pursuant to the following agreement with the DOD, employees serving in NAFIs of the Department may be appointed to positions in the competitive civil service, and employees serving in positions in the competitive service may be appointed to NAF positions.

1402. Purpose. These policies are designed to allow DOD NAF employees to be appointed to positions in the Federal competitive system without having to go through the usual process of getting on an appropriated Federal register. It also allows Federal employees to be appointed to NAF positions. The agreement allows for an easy interchange of employees between NAF and APF positions, or NAF and Federal positions. The agreement covers APF positions throughout the Federal Competitive Service. It is not limited merely to Federal positions within DOD.

1403. The Interchange Agreement

a. Section 1, Type of Appointment held before Movement. To be eligible for movement under this agreement, employees must be currently serving under a competitive career or career-conditional appointment or under a NAF appointment or have been involuntarily separated (a BBA for NAF employees, or a Reduction in Force for GS employees) from such appointment without personal cause within the preceding year (a time frame commences from an actual date of separation). NAF employees must be, or have been, serving in continuing NAF positions under appointments without time limits.

b. Section 2, Qualification Requirements. NAF employees must meet the qualification standards and requirements for the positions to which they are to be appointed in accordance with OPM established regulations for transfer of employees within the competitive service. Employees in the competitive service must meet the regular standards and requirements established by DOD for appointment to NAF positions.

(1) This section advises servicing APF personnel offices that NAFI employees considered under this agreement are to be treated in the same manner as if they were already Federal employees in the competitive service transferring from one agency to another, i.e., they are to be considered qualified and appointed as if they are current Federal employees.

(2) The key point of the agreement is that NAF employees need only meet the same qualification requirements as if they were already civil service employees. This is important in that this means that in-service placement

3 Dec 97

qualification standards may be used in qualifying NAF employees coming into the Federal Civil Service under this agreement. This type of qualification standard, when available, is usually less rigid than those qualification standards applied to applicants applying for initial entrance into the Federal Civil Service.

c. Section 3, Length of Service Requirement. NAF employees must have served continuously for at least 1 year in NAF positions before they may be appointed to positions in the competitive civil service under the authority of the Interchange Agreement. Employees in the competitive civil service must have completed 1 year probationary period required in connection with their career or career-conditional appointments in the competitive service before they may be appointed to NAF positions, without serving a trial period, under the authority of this agreement.

(1) This means 1 year without a break in service and with no more than 30 calendar days allowed for Leave Without Pay during that year.

(2) All NAF employees must meet this 1 year of continuous service requirement prior to being considered eligible under the agreement. 1 year as an RFT or RPT employee normally meets this 1 year requirement. As to flexible employees, 1 year on a NAF activity's rolls is not necessarily sufficient. Instead, employees under this type of appointment must actually work a number of days equivalent to 1 year, and provide evidence of such when applying under the agreement.

d. Section 4, Selection. NAF employees may be considered for appointment to positions in the competitive civil service in the same manner that employees of the competitive service may be considered for transfer to such positions. Employees in the competitive service may be considered for appointment to any NAF position on the basis of their qualifications.

(1) Transfer means the employment of a career or career-conditional employee when he or she moves from one Federal agency to another (with or without promotion) without a break in service of 1 full workday. And, according to OPM regulations, transfer actions are normally processed by the losing agency as termination and in the gaining activity as a transfer.

(2) A NAF employee can move from his or her position to any Federal position in the competitive service on a noncompetitive basis. However, the word "noncompetitive" has different meanings in different situations. When referring to current on board, civil service employees moving within the competitive civil service system, "noncompetitive" means that they do not have to compete with each other. When referring to individuals not currently in the Federal Civil Service entering the civil service system, the word "noncompetitive" means they do not have to compete with other candidates in a

civil service examination. A noncompetitive appointing authority (the Interchange Agreement, for example) is a way for agencies to bring employees into the competitive service without using an examination. Personnel applying for appointment into the competitive system under a special, or noncompetitive authority like this agreement do not have to compete with on board employees applying to move within the system unless an agency's own staffing policy requires it. In other words, a person can be selected under this agreement for any job if qualifications and other basic conditions are met, e.g., citizenship, minimum age, etc., no matter how the pay and grade of the job compared to the NAF job. Once hired into the civil service system, however, personnel will have to compete with other civil service employees for jobs at higher grades, even if the employee had NAF service equivalent to those grades.

e. Section 5, Type of Appointment Granted after Movement. NAF employees who are appointed to competitive positions under the terms of this agreement will have career or career-conditional appointments, depending upon whether they meet the 3-year service requirement for career tenure. The service which commences with a permanent NAF appointment will be accepted toward meeting the competitive service requirement. Employees of the competitive service who are appointed to NAF positions under the terms of this agreement will receive appointments without a time limit under DOD Directive 1401.1-M.

(1) Upon initial entrance into the Federal Competitive Service, an employee is given a career-conditional appointment. Upon completing 3 years of substantially continuous service under such an appointment, the employee is then converted to career status.

(2) In crediting NAF time for career-conditional or career appointment, only that continuous NAF time immediately prior to appointment to the Federal Civil Service may be counted. To be eligible for a career appointment, a NAF employee must have 3 years of continuous NAF service immediately prior to the appointment. The following time limits also pertain:

(a) In the Federal service, an employee must not have more than a 30-calendar day break between periods of employment for all such service to be considered continuous. This is called substantially continuous service.

(b) The DOD Portability Program applies to DOD civilian employees who move between NAF and civil service within DOD without a break in service of more than 3 calendar days.

(c) Under the terms of the Interchange Agreement, a NAF employee must move to the Federal Civil Service without a break of 1 workday.

(d) To be eligible under the Interchange Agreement, the basic 1 year of continuous service requirement cannot include any break in service. However, the 1 year following an RIF or BBA is not a break, but such time cannot count toward the 1 year of service requirement.

(e) NAF employees may be appointed in any agency and receive credit for their NAF service toward career tenure. However, NAF service may be credited for other purposes only if the employees move within the DOD without a break in service longer than 3 days. Otherwise, NAF pay may not be used as an employee's highest previous rate, leave accrued during NAF service may not be transferred, and NAF service may not be credited toward leave accrual, retirement or service computation date for reduction in force.

f. Section 6, Probationary and Trial Periods. Employees appointed under this agreement, who have previously completed a probationary or trial period, will not be required to serve a new probationary or trial period.

Regular full time and regular part time NAF employees are required to serve a 1 year probationary period prior to meeting basic eligibility under this agreement, i.e., such employees must complete their probationary period before they are considered eligible to be appointed under the Interchange Agreement. As to NAF flexible employees, they are not required to serve a NAF probationary period; therefore, no such requirement exists under this agreement for employees in this category. However, flexible employees must complete or work a number of days equivalent to a year of work to be eligible under the Interchange Agreement.

g. Section 7, Status. NAF employees who are appointed in the competitive civil service under the terms of this agreement will receive competitive civil service status. Thereafter, such employees will be entitled to the benefits and privileges provided by the civil service rules and by OPM regulations and instructions for persons having competitive civil service status. Employees of the competitive civil service who are appointed to NAF positions under the terms of this agreement will have whatever privileges are normally provided to persons who initially receive appointments, under DOD Directive 1401.1-M, to continuing NAF positions.

h. Section 8, Effective Date. The Interchange Agreement, originally approved on September 21, 1991 for a 3 year period has been extended indefinitely. The agreement may be terminated 30 days following notice from the DOD or OPM, and may be modified at any time with the mutual consent of the DOD and OPM.

1404. Portability of Benefits. NAF employees, who move under the terms of the Interchange Agreement to a non-DOD agency, are not eligible for benefits

under the Portability Legislation. This means that sick and annual leave will not be transferred. This also means that none of the NAF time will count for within grade increase, time for reduction in force purposes, and all other things covered under the Portability Act of November 1990. Portability benefits only come into play when a DOD NAF employee moves to an APF position within DOD or vice versa.

a. The Portability of Benefits for NAF Employees Act amended Title 5, USC, 2105(c), which generally requires that NAF employment be treated as non-Federal employment, to permit personnel interchange. The Act also permits NAF service to be considered toward career tenure when entering the competitive service, but only when the employees move within DOD. NAF service may be credited for other purposes only if the employee moves within the DOD without a break in service longer than 3 days. Otherwise, NAF pay may not be used as an employee's highest previous rate, leave accrued during NAF service may not be transferred, and NAF service may not be credited toward leave accrual, retirement, or service computation date for reduction in force.

CHAPTER 15

PERSONNEL RECORDS DISPOSITION SCHEDULE

1501. Transferring Records (NAF and APF) to Other Custody. Naval records may be moved and assigned to other custody within the naval establishment, to Federal Records Centers (FRCs), to the National Archives and Records Administration (NARA), or to other government agencies. When moving the records involves a change in custody, the move is referred to as a records transfer. Changes in location within the activity, usually by removal to local storage areas, are referred to as records retirement. For detailed instructions governing the disposal of both APF and NAF records, refer to reference (c), SECNAVINST 5212.5C.

1502. Scope. This chapter covers the disposition of OPFs and other records relating to NAF personnel wherever employed by DON, except for those non-U.S. citizens employed outside the U.S. and its territories; general NAF records disposition; and NAF financial records disposition. DON NAF employee personnel records relate to the supervision over and management of such employees. Any records created prior to January 1, 1921, must be offered to the National Archives and Records Service for possible permanent retention before these disposition instructions may be applied.

1503. APF Records Disposition. Upon disposal of APF records, refer to SECNAVINST 5212.5C for detailed disposal instructions.

1504. NAF Records Disposition. NAF personnel records shall be disposed of in accordance with the schedule contained in appendix G.

PAY ADMINISTRATION FOR CRAFTS AND TRADES

1. General Policy

a. This Appendix supplements pay policies and procedures contained in subchapter S8 of OPM's Operating Manual for NAF Federal Wage System (FWS), and Chapter 3 of this manual.

b. The above cited OPM Operating Manual applies only to employees in NA, NL and NS positions.

2. Definitions

a. Prevailing Rate Employee. This term is used interchangeably with the term "NAF crafts and trades" employees (NA, NL, or NS). It encompasses employees of a NAFI who are employed in a recognized craft or trade or other skilled mechanical craft, or in an unskilled, semiskilled, or skilled manual labor occupation, and any other individual, including a foreman and a supervisor, in a position having craft, trade, or laboring experience and knowledge as the paramount requirement.

b. Scheduled Rate of Pay. The rate of pay fixed by law or administrative action, including a retained rate of pay and rate on temporary promotion for the job held before any deductions and exclusive of additional pay of any kind.

c. Rate of Basic Pay. The scheduled rate of pay, plus any night shift or environmental differential.

d. Existing scheduled Rate of Pay. The scheduled rate of pay received immediately before the effective date of a transfer, reassignment, promotion, change to lower grade, within-grade increase, or revision of a wage schedule.

e. Highest Previous Rate. The highest scheduled rate of pay previously paid to a NA, NL, or NS employee while employed in a NAF position.

f. Representative Rate. A rate used to determine the nature of the job change (e.g., promotion, change to a lower grade, or reassignment) where different kinds of pay schedules are involved, whether in the same or different wage areas.

g. Reassignment. A change of an employee, while serving continuously in the same NAFI, from one job to another without promotion, or change to lower grade.

h. Reemployment. Employment, including reinstatement or another type of appointment, after a break in service of at least 1 full workday.

i. New Appointment. A first appointment as an employee of the NAFI.

j. Premium Pay. Additional compensation for overtime, standby duty, and work performed on a holiday or Sunday.

k. Regularly scheduled. Work that is scheduled in advance of an administrative workweek.

l. Tour of Duty. The hours of a day (a daily tour of duty) and the days of an administrative workweek (a weekly tour of duty) that constitute an employee's regularly scheduled administrative workweek.

m. Sunday Work. Nonovertime work performed by an employee during a regularly scheduled tour of duty when any part of that tour of duty is on a Sunday.

n. Overtime Work. Authorized and approved hours of work performed in excess of eight hours in a day or in excess of 40 hours in an administrative workweek, whichever is the greatest number of overtime hours (includes scheduled and unscheduled overtime work).

o. Regular Overtime Work. Overtime work that is scheduled prior to an employee's regularly scheduled administrative workweek.

p. Irregular or Occasional Overtime Work. Overtime work which is not scheduled as a part of the regularly scheduled administrative workweek.

q. Night shift Work. Regularly scheduled nonovertime work when a majority of whole hours of such work occur between 3:00 p.m. and midnight (second shift) or between 11:00 p.m. and 8:00 a.m. (third shift).

r. Holiday Work. Non-overtime work performed by an employee during a regularly scheduled daily tour of duty on an officially designated holiday.

s. Nonworkday. Any calendar day that the employee is not scheduled to work within employee's basic workweek exclusive of official holidays.

t. Retained Rate of Pay. The rate of pay to which an employee is entitled when changed to a lower grade, reassigned, or otherwise changed to a NA, NL, or NS grade or pay band having a maximum scheduled rate of pay which is less than the employee's existing scheduled rate of pay.

3. Specific Policy

a. New Appointments. Except as provided in (1) and (2) below, a new appointment will be made at the minimum step of the grade.

(1) Heads of NAFIs may appoint an employee at a rate above the minimum step of the appropriate grade in recognition of his or her special qualifications, for example, an applicant with skills and experience of an exceptional or highly specialized nature pertinent to his or her position. Each case of hiring above the minimum rate shall be documented fully in the employee's OPF.

(2) Heads of NAFIs may request authority to routinely make appointments at the second, third, fourth, or fifth step for a hard-to-fill positions. The NAFI cannot recruit qualified employees at the step 1 level. Requests will be forwarded to the DOD Wage Setting Division (WSD), via BUPERS (Pers-653), and will include at a minimum, the following:

(a) The hiring rate for the particular occupation and grade among private employers in the area if higher than the step 1 of the applicable grade on the local wage schedule.

(b) Coordination with other military services and exchanges in the same wage schedule.

b. Position Change. When an employee is reemployed, transferred, reassigned, or changed to a lower grade, subject to the grade and pay provisions in sub-chapter 9 of OPM Operating Manual for NAFIs, the head of the local NAFI may pay that employee at any step of the new grade which does not exceed that employee's highest previous rate. If the highest previous rate falls between two steps of the grade, the head of the NAFI may pay at the next higher rate.

c. Promotion. When promoted, an employee is entitled to be paid at the lowest step of the new grade that exceeds his or her existing scheduled rate of pay by at least 4 percent.

(1) If there is no rate of pay in the grade to which promoted that exceeds the employee's existing scheduled rate of pay by at least 4 percent, the employee will be paid either the maximum scheduled rate of the new grade, or his or her existing scheduled rate of pay, if that rate is higher.

(2) When promoted, an employee may be granted the benefit of the highest previous rate provisions if this would result in a higher rate of pay than would result from applying the provisions of a normal promotion action.

d. Highest Previous Rate

(1) The highest previous rate for NAF employees is based on a regular tour of duty at that rate.

(2) The highest previous rate may be based upon a rate of pay received during a period of temporary promotion so long as it is not used as a vehicle to circumvent the period required for within-grade pay increases.

(3) The highest previous rate may not be based on a rate received for an appointment as an expert or consultant, or on a special pay rate established in recognition of hard-to-fill vacancies.

(4) When a NAF employee's rate of pay is one that was established as a special pay rate, his or her highest previous rate is the rate to which he or she would have been entitled had the special rate not been applied.

(5) If the highest previous rate was earned in a NA, NL, or NS position, the highest previous rate is calculated based on the current grade and step rate of the old position using the wage schedule of the area in which the employee is being employed, or the actual earned rate, whichever is higher. If the highest previous rate falls between two steps of the new grade, the head of the NAFI may consider the higher of the two rates as the highest previous rate. See paragraph 7 below for an illustration of this computation, and application of the highest previous rate rule.

e. Effective Date

(1) Normal. The effective date of a change in a pay rate is the first day of the first pay period on or after the date the action is approved by the head of the NAFI, unless a subsequent date is specifically stated.

(2) Retroactive. A NAF employee who is qualified for his or her official job and performs its duties, but who through administrative error is not paid the appropriate rate for his or her grade, will have the rate corrected retroactively. This corrective payment is not to be regarded as a retroactive promotion.

4. General Pay Fixing Guides. Unless specifically stated in this manual or OPM's Operating Manual for NAF FWS, Subchapter S8, only scheduled rates of pay are considered in making pay adjustments.

a. Pay Computation Rule. For pay computation purposes, rates are computed to the nearest cent, counting one-half of a cent and over as a whole cent. Whenever it is necessary to convert a basic annual rate to an hourly rate for comparison purposes, the hourly rate will be derived by dividing the annual rate by 2087.

b. Simultaneous Pay Change

(1) If an employee becomes entitled to two pay benefits at the same time, the changes will be processed in a manner that gives the employee the maximum benefit.

(2) If an employee becomes entitled to an increase in pay and to a personnel or appointment change at the same time, the increased rate of pay is deemed to be the employee's existing scheduled rate of pay when the personnel or appointment change is processed.

c. Cost-of-living Allowance as Base Pay in Nonforeign overseas Area.

When an employee in a nonforeign overseas area paid under the pay band system (NF schedule) is changed to a NA, NL, or NS position, nonforeign area differential, or cost-of-living allowances received in the NF job, is added to the scheduled rate of pay for the purpose of establishing a rate of pay for the new job. The nonforeign area differential, or cost-of-living allowance, is not added to the representative rate when determining the nature of the action.

d. Pay While on Leave. Employees are paid at their basic rates (including night shift differential except as provided in sections 6121-6130 of Title 5, USC, regarding flexible and compressed work schedules). This provision is applicable even though the basic workweek may include workdays with hours exceeding eight per day for which overtime rates are paid.

e. Lump Sum Leave Payments. When an employee is on the rolls on the issue date of a wage schedule increase, but separates before the effective date of the increase, the employee is entitled to receive his or her lump-sum annual leave payment at the higher rate for the period extending beyond the effective date.

When an employee separates after a wage survey is ordered, but before the issue date of the wage schedule, and his or her annual leave extends beyond the effective date of the increase, the employee is entitled to receive his or her lump-sum annual leave payment at the higher rate for the period extending beyond the effective date. This provision applies when the issue date of the wage schedule is prior to the effective date set by 5 USC 5344(a).

5. Overtime, Differential, and Premium Pay

a. Overtime Pay

(1) Title 5 vs. FLSA. Employees will be paid overtime pay for work in excess of eight hours in a day, or in excess of 40 hours in an administrative workweek, whichever is the greater number of overtime hours that are officially ordered or approved and performed by the employee.

(a) OPM's Operating Manual for NAF FWS, Subchapter S-8, only speaks to the overtime provisions of Title 5. Therefore, since the examples of overtime pay included in paragraph 11 below do not apply to any FLSA overtime entitlement, it is necessary to carry out dual calculations to determine the greater benefit.

(b) Nonexempt employees covered by the FLSA are entitled to overtime pay under whichever legal authority (Title 5 vs. FLSA) provides the greater benefit.

(2) Over Eight Hours in a Day. When an employee works more than eight hours in a day, including Sunday or a holiday, time in excess of the eight hours is paid at the overtime rate even though it is part of a scheduled 40-hour week.

(3) Over 40 Hours in a Week. Hours of work in excess of eight in a day are not included in computing hours of work in excess of 40 hours in an administrative workweek.

(4) Overtime Rate. Except as otherwise specifically authorized, heads of NAFIs will pay an employee for overtime work performed at the rate of one and one-half times his or her rate of basic pay.

(5) Leave With Pay. Hours during which an employee is absent from duty on paid leave, during time when the employee otherwise would have been required to be on duty, will be considered hours of work in determining whether the employee is entitled to overtime pay for work performed in excess of eight hours a day or 40 hours in a week.

(6) Leave Without Pay. Hours during which an employee is absent from duty on leave without pay, during a time when the employee would otherwise have been required to be on duty, will not be considered hours of work in determining whether the employee is entitled to overtime pay for work performed in excess of eight hours in a day or 40 hours in a week.

(7) Minimum (Callback) Overtime Pay. Irregular or occasional overtime work performed by an employee on a day when work was not scheduled for the employee, or for which the employee is required to return to his or her place of employment, is considered at least 2 hours in duration for the purpose of overtime pay, whether or not work is performed.

(8) Compensatory Time. Heads of NAFIs are not authorized to grant NAF wage employees compensatory time off in lieu of overtime payments.

b. Night Shift Differential. An employee is entitled to pay at his or her scheduled rate plus a differential of 7½ percent of his or her scheduled rate for regularly scheduled non-overtime work when a majority of the work hours occur between 3:00 p.m. and midnight; or 10 percent of the scheduled rate if the majority of work hours occur between 11:00 p.m. and 8:00 a.m. The night shift differential is paid for the entire shift when the majority of hours fall within the specified periods. Majority of hours mean a number of whole hours greater than one-half (including meal breaks).

(1) Included as Base Pay. Night shift differential is included in basic pay for employees and used as a basis for computing overtime pay, Sunday pay, and holiday pay, and, where applicable, amounts of deductions for retirement and group life insurance.

(2) Pay While on Leave. An employee, regularly assigned to and receiving night shift differential, is entitled to the night shift differential for periods of excused absence on a holiday or while in official travel status during the hours of his or her regular night shift.

c. Pay for Holidays. Paid to wage NAF employees when:

(1) Excused from Work. An employee is excused from work because of the occurrence of a holiday on that employee's regularly scheduled workday. The employee is entitled to the same rate of pay for that day, including any applicable night shift differential, as if he or she had worked.

(2) Work on a Holiday. An employee performs work on a holiday which is not overtime work. The employee is entitled to be paid his or her rate of basic pay, plus premium pay at a rate equal to the rate of basic pay.

(a) Overtime Pay for Holiday Work. An employee will be paid for overtime work performed on a holiday at the same rate as for overtime on other workdays.

(b) Minimum (Callback) Holiday Pay. An employee required to report for work on a holiday will be paid at least 2 hours of holiday pay whether or not work is actually performed.

d. Sunday Premium Pay. Paid to NAF wage employees with a scheduled basic workweek of 40 hours, when:

(1) An employee's regular work schedule includes an 8-hour period of work, a part of which is on Sunday. He or she is entitled to additional pay at the rate of 25 percent of his or her hourly rate of basic pay for each hour of work performed during that 8-hour period of work. An employee who works more than 8 hours in a single tour of duty on a Sunday does not receive the Sunday premium for hours in excess of eight hours.

(2) Premium pay for Sunday work is in addition to premium pay for holiday work, overtime pay, and night shift differential, and is not included in the rate of basic pay used to compute the pay for holiday, overtime and night work.

(3) An employee has two separate tours of duty on Sunday, (e.g., one tour that begins on Saturday and ends on Sunday and another tour that begins on Sunday and ends on Monday). He or she is entitled to premium pay for Sunday work not to exceed 8 hours for each tour of duty.

6. Within-Grade Increase

a. Waiting Periods

(1) For employees on prearranged regular schedules, the waiting periods for advancement to the second, third, fourth, and fifth steps in all grades are:

(a) Step 2: 26 calendar weeks of creditable service in step 1.

(b) Step 3: 78 calendar weeks of creditable service in step 2.

(c) Steps 4 and 5: 104 weeks of creditable service in each of steps 3 and 4.

(2) For employees without prearranged regular schedules, the waiting periods for advancement to the second, third, fourth, and fifth steps in all grades are:

(a) Step 2: 130 days of creditable service in a pay status in step 1 over a period of no less than 26 calendar weeks.

(b) Step 3: 390 days of creditable service in a pay status in step 2 over a period of no less than 78 calendar weeks.

(c) Step 4: 520 days of creditable service in a pay status in step 3 over a period of no less than 104 calendar weeks.

(d) Step 5: 520 days of creditable service in a pay status in step 4 over a period of no less than 104 calendar weeks.

Note: Any day on which part-time service is performed constitutes a full day.

b. Creditable Service

(1) Continuous civilian employment in any NAFI is creditable service in the computation of a waiting period. Service credit is given:

(a) During periods of annual, sick, and other leave with pay (e.g., advanced annual and sick leave), and service under a temporary appointment.

(b) When the waiting period is not interrupted by non-workdays intervening between an employee's last regularly scheduled workday in one job and his or her first regularly scheduled workday in a new job.

(2) For employees with prearranged regular schedules, creditable time in a non-pay status is counted in the computation of a waiting period when it does not exceed, in the aggregate, 1 workweek in the waiting period for step 2, 3 workweeks in the waiting period for step 3, and 4 workweeks in the waiting period for steps 4 and 5.

(3) Creditable military service is counted in the computation of a waiting period when:

(a) An employee is on leave of absence to perform such service and returns to pay status through the exercise of a restoration right provided by law, executive order, or regulation.

(b) A former employee is reemployed in a NAFI no later than 52 calendar weeks after separation from military service, or if hospitalized after military service within 1 year after release from the hospital.

(4) Service that is not creditable in the computation of a waiting period includes:

(a) Service outside of the regularly scheduled 40 hour workweek that is paid at overtime rates.

(b) Service before a single non-pay period or a break in service when the non-pay period or break in service exceeds 52 calendar weeks, and any part of a nonpay period of more than 52 calendar weeks.

(c) The period between the date an employee leaves his or her civilian job to enter the Armed Forces, and the date of his or her reemployment in a position when his reemployment is not within 52 continuous calendar weeks from the date of his or her discharge from the Armed Forces, except in instances of restoration provided by law.

7. Highest Previous Rate Calculation. The following is an illustration of subparagraph 3d(5) above. Although the example uses NA grades, the same principle also applies to NL, and NS grades.

a. An employee in New York, NA-8 Step 1, was reemployed in Washington, D.C., at the NA-7 grade level. Pertinent wage schedule rates are as follows:

		STEP RATES				
		1	2	3	4	5
New York	NA-8	\$7.78*	\$8.13	\$8.45	\$8.78	\$9.09
Wash. DC	NA-8	7.55**	7.87	8.18	8.49	8.81
Wash. DC	NA-7	7.06	7.36	7.65	7.94	8.23

* Previously earned rate

**Current rates in the wage area where the employee is being employed.

b. Steps to be Followed

(1) Compare the employee's previous grade and step rate (\$7.78) in New York with the same grade and step rate in Washington, DC (\$7.55). The previous earned rate is higher; therefore, it is established as the employee's highest previous rate.

(2) The employing NAFI may pay this employee at any step of the grade NA-7 (the grade at which reemployed) that does not exceed the fourth step (since the employee's highest previous rate (\$7.78) falls between steps 3 and 4 of grade NA-7).

(3) In no case will an employee be paid more than the top step of the grade in which re-employed, irrespective of the employee's highest previous rate.

(4) Since an employee has no vested right on re-employment to receive the highest previous rate of pay, the head of the NAFI should adopt a policy

of using the highest previous rate rule, or require that an employee on re-employment start at the first step rate of the grade.

8. Night Shift Differential Calculations. Majority of hours, as used in subparagraph S8-4c, Subchapter S8, of OPM's Operating Manual for FWS NAF, means majority of whole hours. Hours are considered to be periods of 60 minutes.

a. Regular Shifts. NAF wage employees (full-time, flexible, and part-time employees) are entitled to night shift differential when the majority of their whole hours are worked during a period in which a night shift differential is payable.

(1) Example 1. An employee is regularly scheduled to work a period commencing at 2:00 p.m. and ending at 8:00 p.m. Since the majority of whole hours were worked during a period for which the night shift differential of 7 ½ percent is payable, the employee is entitled to that differential for the entire shift.

(2) Example 2. An employee is regularly scheduled to work a period commencing at 1:00 p.m. and ending at 5:30 p.m. The employee performed 2 hours of work before the night shift period, and 2½ hours during the night shift period. The employee is not entitled to the shift differential. To qualify for the differential, the employee must perform 3 whole hours of work during the night shift period.

b. Split Shifts. When an employee's tour of duty overlaps more than one established shift, or includes a break of more than 1 hour within a scheduled basic workday, pay will be calculated as follows:

(1) Example 1. An employee works an 8-hour shift from 8:00 p.m. to 4:00 a.m. with a 20 minute paid meal period. The employee worked 3 hours in the second shift and 5 hours in the third shift. The employee is entitled to a 10 percent differential for all 8 hours since a majority of whole hours fall within a period for which the 10 percent night shift differential is payable.

(2) Example 2. An employee who works 4 hours during the second shift and 4 hours in the third shift will be paid a 7½ percent differential for the entire shift since a majority of hours were not worked during the third shift.

(3) Example 3. An employee who is authorized to work 3 hours during the third shift, 3 hours during the first shift and 2 hours during the second shift (e.g., 5:00 a.m. to 11:00 a.m. and 3:00 p.m. to 5:00 p.m.), is entitled to a 7½ percent night shift differential for all 8 hours since a majority

of his or her regularly scheduled hours of work fall within a period during which a night shift differential is payable. The 10 percent differential is not paid since a majority of his or her regularly scheduled 8 hour shift does not specifically fall within the period of 11:00 p.m. to eight a.m.

(4) Example 4. An employee performs work from 10:00 a.m. to 12 noon, and during the same day performs work between 4:00 p.m. and eight p.m. Hours worked each day total 6 hours with the employee performing 4 hours of work during the established night shift period. This employee is entitled to the 7 ½ percent night differential for all hours of work performed (e.g., 6 hours).

(5) Example 5. An employee works an 8-hour shift from 11:30 a.m. to eight p.m. The meal break is set from 3:30 p.m. to 4:00 p.m. (e.g., included in the 5-hour period from 3:00 p.m. to 8:00 p.m.) resulting in majority of whole hours in the second shift that entitles the employee to a 7 ½ percent shift differential.

(6) Example 6. If the employee's shift is from 11:00 a.m. to 7:30 p.m. with a meal break from 3:00 p.m. to 3:30 p.m., no shift differential is paid since the majority of whole hours were not between 3:00 p.m. and midnight (e.g., the employee is only credited with 4 ½ hours during the second shift).

(7) Example 7. An employee who works from 7:00 p.m. to 3:30 a.m. with a meal break from 11:00 p.m. to 11:30 p.m. is paid a 7 ½ percent differential for all 8 hours. The 10 percent differential is not paid because, even when the meal period is counted, a majority of the employee's regularly scheduled 8 hour shift does not specifically fall within the period of 11:00 p.m. to 8:00 a.m.

9. Holiday Premium Pay Calculations. The following examples illustrate pay entitlement authorized by subparagraph S8-4d(2) Subchapter S8 of OPM's Operating Manual for NAF FWS.

a. Example 1. An employee's regularly scheduled workweek is 8:00 a.m. to 4:30 p.m. Monday through Friday. Monday is a holiday and the employee is required to work 8 hours on that day. Holiday premium pay is computed as follows:

	<u>Compensable hours</u>						
Regularly Scheduled Workweek	M*	T	W	T	F	S	Total
Basic rate (scheduled rate only)	8	8	8	8	8		40
Premium Pay - equal to employee's basic rate	8						8

*Holiday

The employee is paid for all regularly scheduled work hours at his or her basic rate. Holiday premium pay at a rate equal to his or her basic rate is paid for the number of non-overtime hours worked on the holiday.

b. Example 2. A regular, full-time employees' workweek is 11:00 p.m. to 7:30 a.m., Tuesday through Saturday. Monday was a designated holiday, and the employee was required to work that day. For the purposes of this example, Tuesday was the employee's "in lieu" holiday. The employee also worked 8 hours on Tuesday. Premium pay is computed as 8 holiday hours worked and 8 overtime hours worked. The appropriate shift differential is also applied.

	<u>Compensable hours</u>						
Reg. Scheduled Workweek	M*	T	W	T	F	S	Total
Basic Rate (scheduled rate plus 10% differential)	8	8	8	8	8		40
Holiday Premium Pay (scheduled rate plus 10% shift differential)	8					8	
Overtime (1 ½ times the basic rate (scheduled rate plus 10% night differential))		8**					

*Holiday

** Since the employee's regularly scheduled workweek consists of 40 hours, Tuesday through Saturday, Monday becomes the overtime period because it is outside the employee's basic workweek.

c. Example 3. An employee's regularly scheduled workweek is 9:00 a.m. to 5:30 p.m., Monday through Friday. Monday is a holiday, but the employee is required to perform 10 hours of work. Premium pay is computed as 8 hours holiday worked and 2 hours of overtime worked.

	<u>Compensable Hours</u>						
Reg. Sch. workweek	<u>M*</u>	<u>T</u>	<u>W</u>	<u>T</u>	<u>F</u>	<u>S</u>	Total
Basic rate (scheduled rate only)	8	8	8	8	8		40
Holiday Premium Pay (Equal to Basic rate)	8						
Overtime (1-1/2 times basic rate) *Holiday	2						2

d. Example 4. A part-time employee, who is entitled to observe a holiday, has a regularly scheduled workweek which is 9:00 a.m. to 4:00 p.m. (no meal period during which employee is entirely free from work requirements), Monday, Wednesday, and Friday. Monday is a holiday, and the employee is required to perform 3 hours of work on that day. Holiday premium pay is computed as 3 hours worked.

	<u>Compensable Hours</u>						
Organization Workdays	<u>M*</u>	<u>T</u>	<u>W</u>	<u>T</u>	<u>F</u>	<u>S</u>	Total
Scheduled hours	7		7		7		21
Basic rate (scheduled rate only)	7		7		7		21
Holiday Premium Pay (equal to basic rate) * Holiday	3**						3

** If the employee had performed 10 hours of work on the holiday, 2 of those hours would be treated as overtime.

10. Sunday Premium Pay Calculation. Only a full-time employee with a basic workweek of 40 hours is entitled to Sunday premium pay. Therefore, not all full-time employees will be entitled to Sunday premium pay, even if they have an 8-hour workday scheduled on Sunday.

a. Example 1. An employee with a 40-hour basic workweek, whose work schedule for the week includes a workday which begins at 6:00 p.m. on Saturday and ends at 2:30 a.m. Sunday, is entitled to Sunday premium pay for that workday, computed as follows:

8 hours - basic rate (scheduled rate plus 7 ½ percent night shift differential)

8 hours - Sunday premium pay at a rate equal to 25 percent of the basic rate.

b. Example 2. An employee with a 40-hour basic workweek works a regularly scheduled night shift from 5:00 p.m. to 1:30 a.m. (with ½ hour meal break); 1 shift begins at 5:00 p.m. on Saturday and ends 1:30 a.m. on Sunday, and the next begins 5:00 p.m. on Sunday and ends 1:30 a.m. on Monday. The employee is entitled to Sunday premium pay for both tours (total 16 hours), computed as follows:

16 hours - basic rate (scheduled rate plus 7½ percent night shift differential)

16 hours - Sunday premium pay at a rate equal to 25 percent of the basic rate.

11. Overtime Pay Calculations. Entitlement to overtime pay is authorized in accordance with the provisions of Title 5, USC, and as described in subparagraph S8-4, Subchapter S8, of OPM's Operating Manual for NAF FWS, and amplified in this Appendix. Consideration also must be given to the overtime provisions of the FLSA for nonexempt employees. Such employees are entitled to overtime pay under whichever legal authority provides the greater benefit.

a. Work Exceeding 8 Hours in a Day. The following examples are intended to illustrate the pay entitlement authorized by Subparagraph S8-4b(3), Subchapter 8, OPM's Operating Manual for NAF FWS.

BUPERSINST 5300.10
3 Dec 97

(1) Example 1. An employee works from 8:00 a.m. to 6:30 p.m., Monday through Friday.

	<u>Compensable hours</u>							
	S	M	T	W	T	F	S	Total
Scheduled Hours		10	10	10	10	10		50
Basic Rate (scheduled rate)		8	8	8	8	8		40
overtime rate (one and one-half times the basic rate).		2	2	2	2	2		10

(2) Example 2. An employee works from 7:00 a.m. to 5:00 p.m. Tuesday through Friday and 7:00 a.m. to 11:00 a.m. on Saturday. Employee has a 1 hour meal period Tuesday through Friday, none on Saturday. Overtime pay is computed as follows:

	<u>Compensable hours</u>							
	S	M	T	W	T	F	S	Total
Scheduled Hours			9	9	9	9	4	40
Basic rate (scheduled rate)			8	8	8	8	4	36
Overtime rate (1 ½ times the basic rate)			1	1	1	1		4

b. Overtime Pay for Night Work. The following examples are intended to illustrate the pay entitlement authorized by Subparagraph S8-4b(7)(a), Subchapter S8, of OPM's Operating Manual for NAF FWS.

(1) Example 1. This example illustrates the computation of overtime pay for employees who are regularly working a night shift for which the shift differential is payable, when the overtime period falls within the day shift. An employee's regular schedule requires that work be performed between the hours of 11:00 p.m. and 7:30 a.m., Monday through Friday. On Tuesday, the employee performs overtime work from 7:30 a.m. until 11:30 a.m. Overtime pay is computed as follows:

	<u>Compensable Hours</u>							
	S	M	T	W	T	F	S	Total
Basic rate (scheduled rate plus 10% shift differential)		8	8	8	8	8		40
Overtime rate (1½ times the basic rate (scheduled rate plus 10 percent shift differential))		4					4	

(2) Example 2. This example illustrates the computation of overtime pay when an employee performs overtime work on a day not regularly scheduled as a workday for the employee, or for the organization. The organization operates a 24 hour a day, Monday through Friday operation. The employee's regular schedule is Monday through Friday, 3:00 p.m. to 11:30 p.m.. Overtime work was performed on Saturday, 8:00 a.m. to 12 noon. Overtime pay is computed as follows:

	<u>Compensable Hours</u>						
Organization Workdays	M	T	W	T	F	S*	Total
Basic rate (scheduled rate plus 7½ percent shift differential)	8	8	8	8	8		40
Overtime rate (1½ times the basic rate (scheduled rate plus 7½ percent shift differential)					4*	4	

* Not a scheduled workday for the organization or the employee.

(3) Example 3. This example illustrates the computation of overtime pay when an employee performs overtime work on a day not regularly scheduled as a workday for the employee, or for the organization. The organization operates a 24 hour a day, Monday through Friday operation. The employee's regular schedule is 3:30 p.m. to 12 midnight, Monday through Thursday, and 7:30 a.m. to 4:00 p.m. on Friday. Overtime work was performed on Saturday, 9:00 a.m. to one p.m.. Overtime pay is computed as follows:

BUPERSINST 5300.10
3 Dec 97

<u>Compensable Hours</u>							
Organization Workdays	M	T	W	T	F	S*	Total
Basic rate (scheduled rate plus 7½ percent Shift differential)	8	8	8	8	8		40

Overtime rate (1½ times the basic rate (scheduled rate only)**)						4	4
---	--	--	--	--	--	---	---

* Not a scheduled workday for the organization or the employee.

** No shift differential added, because the scheduled shift prior to the overtime was a day shift. This would be true even if the overtime hours were, for example, 4:00 p.m. to 8:00 p.m.

(4) Example 4. This example illustrates the computation of overtime pay for an employee performing overtime work on a day other than a regularly scheduled workday for the employee, but one which is a regular workday for the organization. The organization operates a 24 hour a day, 7 days a week operation. An employee's regular schedule is Tuesday through Saturday, 8:00 a.m. to 4:30 p.m.. The employee performs overtime work on Monday between the hours of 8:00 p.m. and 12 midnight. Overtime pay is computed as follows:

<u>Compensable Hours</u>							
	S	M	T	W	T	F	S
Basic rate (scheduled rate only)			8	8	8	8	8
Overtime rate (1½ times the basic rate (scheduled rate plus 7½ percent shift differential))		4					
							4

c. Overtime Pay Calculation for Rotating Shifts. These examples deal with overtime pay for employees with regularly rotating tours as authorized in Subparagraph S8-4b(7)(b), Subchapter S8, of OPM's Operating Manual for NAF FWS.

(1) Example 1. This example illustrates the computation of overtime pay for an employee who has a regularly rotating tour of duty which includes 2 or more shifts, and who performs overtime work on a regularly scheduled workday. An employee's regular schedule rotates on a weekly basis between the hours of 7:00 a.m. and 3:30 p.m.; 3:00 p.m. and 11:30 p.m.; and 11:00 p.m. and

7:30 a.m., Monday through Friday. Overtime work is performed on Tuesday during the week that the employee is working the first shift (7:00 a.m. to 3:30 p.m.). Overtime pay is computed as follows:

(a) The scheduled rate (shift differential does not apply) is multiplied by 1.50 to determine the overtime rate.

(b) The overtime rate is then multiplied by the number of overtime hours.

(c) If overtime work is performed on a day during the following week when the employee is working the second shift (3:00 p.m. to 11:30 p.m.), the computed overtime rate would be $1\frac{1}{2}$ times the scheduled rate, plus the 7 $\frac{1}{2}$ percent shift differential.)

(2) Example 2. An employee works 2 different shifts on a scheduled rotating basis during each week (Monday-Wednesday, 3:00 p.m. to 11:30 p.m. and Thursday - Friday, 11:00 p.m. to 7:30 a.m.). The employee performs overtime work on a day other than a regularly scheduled workday (Saturday, 8:00 a.m. to 12 noon). Overtime pay is computed as follows:

(a) Overtime is computed on the bases of the average rate of basic pay for the regularly scheduled shifts worked by the employee:

Monday, Tuesday, Wednesday = 24 hours

- Basic rate (scheduled rate
plus 7 $\frac{1}{2}$ percent shift differential)

Thursday, Friday = 16 hours

- Basic rate (scheduled rate
plus 10 percent shift differential)

(b) The sum of (a) above divided by 40 hours equals AVERAGE BASIC RATE X 1.50 equals the OVERTIME RATE X overtime hours worked:

e. Overtime Pay and Leave Hours

(1) Leave With Pay. An employee has a regularly scheduled workweek of 40 hours, Monday through Friday, 8:00 a.m. to 4:30 p.m. The employee takes annual leave from 8:00 a.m. to 4:30 p.m. on Tuesday. 4 hours of work are performed outside the employee's basic workweek on Saturday. Overtime hours are computed as follows:

		<u>Compensable Hours</u>							
		S	M	T	W	T	F	S	Total
Hours of Work			8		8	8	8		32
Approved annual leave				8					8
Overtime hours worked								4	4
Total:	32 hours of work performed								
	8 hours of approved annual leave								
	40 scheduled hours								
	4 overtime hours								

(2) This illustration describes only the provisions of Title 5, USC. Under FLSA, overtime pay is computed differently for nonexempt vs. exempt employees, and for overtime which is scheduled in advance of the administrative workweek vs. irregular or unscheduled overtime.

12. Special Pay Plan for Tipped Employees

a. Applicability

(1) The policies and procedures stated below apply to employees in nonforeign areas who occupy the position of waiter/waitress.

(2) Commands may elect whether to participate in the tip-offset procedures or not. This decision is wholly dependent upon the local NAFI situation. If it is decided to participate in the tip-offset plan where there is a labor organization that has exclusive recognition, implementation must be negotiated with the labor organization.

b. Tip-Offset

(1) An employee engaged in a position identified in paragraph 12a above, who customarily and regularly receives more than \$30 a month in tips, is deemed to be a "tipped employee." The FLSA authorizes tips to be used to constitute a portion of the wage paid to a tipped employee. (This means that an employee's scheduled rate of pay may be reduced, or offset, on account of such tips.)

(2) In utilizing a tip credit offset, the FLSA requires that:

(a) The percentage of tip credit offset may not exceed 50 percent of the applicable minimum rate. This means that the employee must be accorded

the benefit of whichever law, (Federal, state, or municipal), provides the greater monetary benefit. For example, under the 1991 Federal minimum wage rate of \$4.25, a tip credit offset of \$2.12 is the maximum that can be taken. However, if the command is located in a state with a minimum wage rate of \$4.00, the maximum tip credit offset is \$2.00 (50 percent of \$4.00). Additionally, certain states and municipalities have laws that restrict the tip credit offset or prohibits the offset entirely, in which case these laws must be followed.

(b) The burden of proof is on the employer in proving the amount of tips received by the employee and the amount of tip credit, if any, which he or she is entitled to claim. It is, therefore, apparent that the amount of tip credit offset may vary, not only from one command to another, but within the same command at varying locations, occasions, and time of day. The actual amount of tips received, and thus the amount of tip credit offset, depends upon many variable factors. The critical point is that tip credit offset must be analyzed on an actual time/location basis and cannot be generalized. The Wages and Hours Division of the Department of Labor and the OPM exercise authority in this matter, and individual activities are subject to payment of double damages when the amount of tip credit offset cannot be verified.

(c) The amount of the tip credit offset must be documented on MWR Form 500 in a manner that clearly delineates the scheduled rate of pay and the offset. For example:

\$3.00 (cash wage)
\$1.75 (tips) =
\$4.75 (scheduled rate)

This documentation must be revised each time the tip credit offset is changed. The amount of tip credit offset remains unchanged for periods of premium pay entitlement. During periods of paid leave or holiday absence, when the employee does not receive tips, no tip credit offset can be taken.

(d) The employee must report to the employer the amount actually received in tips, including the amount withheld as tip credit offset.

(e) In the case where an employee can show to the satisfaction of management that the actual amount of tips received was less than the tip offset credit, the wages paid to the employee will be increased accordingly.

13. This section supplements pay policies and procedures contained in subchapter S9 of OPM's Operating Manual for the NAF Federal Wage System.

a. General. This section contains specific instructions concerning grade and pay retention benefits for prevailing rate employees who are placed in a

lower grade as a result of reduction-in-force procedures, or whose positions are reduced in pay and otherwise meet the criteria outlined below. The grade and pay retention provisions apply to certain employees who are reduced in grade and pay on or after January 1, 1979.

b. Definitions

(1) Employee means an employee as defined in Title 5, USC, 5361, and also an individual who is moved from a position which is not under a covered pay schedule to a position which is under a covered pay schedule, provided that the individual's employment immediately prior to the move was on other than a temporary or term basis.

(2) Covered Pay Schedule means any prevailing rate schedule established under subchapter IV of chapter 53, Title 5, USC, and special schedules as listed in SII and Appendix V of OPM's Operating Manual for NAF Federal Wage System. All APF and NAF regular schedules are covered by pay schedules.

(3) Employment on a temporary or term basis means employment under an appointment having a definite time limitation or designation as temporary or term.

(4) Demotion at an employee's request means a reduction in grade:

(a) Which is initiated by the employee for his or her benefit, convenience or personal advantage, including consent to a demotion in lieu of one for personal cause, and

(b) Which is not caused or influenced by management action.

(5) Demotion for personal cause means a reduction in grade based on the conduct, character, or unacceptable performance of an employee.

(6) Rate of basic pay means the rate of pay fixed by law or administrative action for the position held by an employee before any deductions and exclusive of additional pay of any kind, such as night or environmental differentials.

(7) Representative rate means:

(a) The fourth rate of the grade for a position under the General Schedule.

(b) The second rate of grade for a position under regular prevailing rate schedule established under subchapter IV of Chapter 53,

Title 5, USC, or in the case of a position with a single rate, the single rate of that position.

(c) The rate designated as representative of the position by the agency responsible for establishing and adjusting the schedule in cases where the schedule is other than those covered above.

(8) Temporary promotion means a promotion with the definite time limitation, and one which the employee is informed in advance is temporary, and would normally require the individual's return to the permanent position at the expiration of the promotion.

(9) Temporary reassignment means a reassignment with a definite time limitation, and one which the individual is informed in advance is temporary, and would normally require the individual's return to the permanent position at the expiration of the reassignment.

(10) Reorganization means the planned elimination, addition, or redistribution of functions or duties, either wholly within an agency or between agencies.

c. Grade Retention Provisions

(1) Eligibility Requirements

(a) An employee must have been placed in a lower graded position as a result of a reduction-in-force, and must have served for 52 consecutive weeks at a grade or grades higher than that of the position in which placed.

(b) An employee's position must have been reduced in grade as a result of reclassification, and the downgraded position must have been classified at a higher grade for 1 year immediately before the action. The head of an agency may also offer grade retention to eligible employees who are reduced in grade as a result of a reorganization or reclassification decision announced by management in writing, provided the employee has served in a position in any pay schedule for 52 consecutive weeks at a grade or grades higher than the position in which the employee is placed, and provided the service was in an agency as defined in Title 5, USC, 5102.

(2) Grade Retention Period. An employee entitled to grade retention is entitled to retain that grade for 2 years beginning on the date the employee is placed in the lower graded position. If, during the 2-year period of grade retention, an employee is further reduced in grade under circumstances also entitling the employee to grade retention, the employee continues to retain the previous retained grade for the remainder of the original 2 year grade retention period. At the end of that period, the

employee is entitled to retain the grade of the position from which the further reduction in grade was made until 2 years have passed from the date of the further reduction in grade.

(3) Determining Retained Grade

(a) Move from a Position under a Covered Pay Schedule. An employee entitled to grade retention retains the grade which he or she held immediately prior to the reduction in grade even, if the employee has moved to a different pay system.

(b) Move from a Position not under a Covered Pay Schedule. An employee, who is reduced in grade from a position not under a covered pay schedule, retains the lowest grade of the covered pay schedule in which he or she is placed which is a representative rate equal to or higher than the representative rate of the grade held immediately before the reduction. If there is no grade in the covered pay schedule with a representative rate of the grade held immediately before the reduction, the employee retains the highest grade in the new pay schedule.

(4) Determining Rate of Basic Pay

(a) An employee entitled to grade retention is entitled to the greatest of:

1 His or her rate of basic pay before the movement.

2 The rate of basic pay from the applicable rate schedule for the grade and step held by the employee before the movement; or

3 The lowest rate of basic pay from the applicable rate schedule for the retained grade which equals or exceeds the employee's rate of basic pay before the movement.

(b) Under grade retention, the employee is entitled to have the retained grade treated as his or her grade for most pay administration purposes, including entitlement to all wage adjustments, step increases, and premium pay.

(c) Once the employee's initial rate of pay is determined, subsequent pay actions are based entirely on the wage schedule in the "new" area.

(d) Annual Adjustment Computation

1 An employee who, at the time of an annual wage adjustment, is receiving a rate of pay within the rate range of the retained grade, is entitled to receive the full wage adjustment of the appropriate retained grade and step.

2 An employee who, at the time of an annual wage adjustment, is receiving a rate of pay outside the rate range of the retained grade, is entitled to his or her retained rate increased by the amount of the increase in the maximum rate of the employee's retained grade. If an employee's entitlement is greater under an authority other than the grade retention provisions, the employee is entitled to the greater increase as provided by the authority.

3 An employee, who is placed in a position in a different geographical area, is entitled to receive the full wage adjustment at the appropriate retained grade and step on the rate schedule in the new geographical area.

(e) Loss of Eligibility

1 Eligibility for grade retention ceases when an employee has a break in service of 1 workday or more; is demoted for personal causes, or at the employee's request; is placed in a position where the grade is equal to or higher than the retained grade; declines a reasonable offer of a position, the grade of which is equal to or higher than the retained grade; or elects in writing to have the benefits of grade retention terminated.

2 Eligibility for grade retention that is provided at the option of an agency ceases under any of the above conditions and also if the employee fails to enroll in, or to comply with, reasonable written requirements established to assure full consideration under a program providing priority consideration for placement. Eligibility for grade retention does not cease when an employee moves to another position or to an intervening grade. This is because such a change in position is not considered a demotion under section 5362(d) of Title 5, USC.

(5) Termination of Grade Retention. Grade retention terminates if any of the conditions listed in (e) above occurs after the commencement of the 2-year grade retention period. Grade retention that is of the conditions listed in this paragraph occurs after the commencement of the 2-year grade retention period, and also if the employee fails to enroll in, or to comply with, reasonable written requirements established to assure full consideration under a program providing priority consideration for placement. The effective date of termination of benefits is:

(a) The day before placement, if the termination is the result of the employee's placement in another position, or

(b) At the end of the last day of the pay period during which the employee declines a reasonable offer, elects to waive grade retention benefits, or who fails to enroll in, or to comply with, reasonable requirements established to assure full consideration under a program providing priority consideration for placement.

d. Pay Retention Provisions

(1) Eligibility Requirements. Pay retention will apply to any employee whose rate of basic pay would otherwise be reduced as a result of:

(a) The expiration of the 2-year grade retention period.

(b) Reduction in force or reclassification when the employee does not meet eligibility requirement for grade retention.

(c) The reduction or elimination of scheduled rate, including those reflecting a decrease in the level of prevailing rates as determined by a wage survey, or as a result of the reduction or elimination of special schedules or special rates.

(d) Placement in a nonspecial rate position, or into a lower special rate position from a special rate position.

(e) Placement in a position in a lower wage area, or in a position in a different pay schedule.

(f) Placement in a formal employee development program utilized government-wide, such as an Apprenticeship Program.

(g) An agency may grant pay retention, at its option, to any employee who meets the eligibility requirements, and whose rate of basic pay would otherwise be reduced as the result of a management action. Generally, an employee who moves to a different pay schedule, or wage areas (in other than a promotion action), or to a lower grade as a result of the merit promotion program (unless movement is to a Government-wide employee development program), is not entitled to pay retention because such a move is considered to be at the employee's own request.

(h) Examples of reduction in pay initiated by management action:

1 An employee applies for selection under a formal employee development or recruitment program, generally utilized Government-wide and

established by the agency in writing, e.g., the FWS Apprentice Program. Pay retention is appropriate only if all potential applicants are informed in writing that pay retention will be offered to successful reduced if selected for the program.

2 An agency announces a reorganization or reclassification decision in writing. An employee who is or might be affected by these decisions, requests or is made a voluntary offer of a lower-graded position, or a position in a lower-paying wage area. Because the employee's action is caused or influenced by a management action, and the employee's pay would, or might otherwise be reduced, pay retention is appropriate.

(i) Examples of reductions in pay initiated by the employee

1 An employee requests or applies under the merit promotion program for a lower-grade position or a position in a lower-paying wage area for his or her own benefit, convenience, or personal advantage. The position is not part of a formal employee development or recruitment program established by the agency in writing. Because the employee's action is not caused or influenced by a management action, pay retention is inappropriate.

2 An agency offers an employee a lower-graded position or a position in a lower-paying wage area because of a need to fill the position with an individual having the employee's qualifications, but makes the offer voluntary. (No action will be taken if the employee's action may be caused or influenced by a management action, the employee's pay would not be reduced if the employee declines the offer). Therefore, pay retention is inappropriate.

(2) Determining Rate of Basic Pay

(a) An employee entitled to pay retention is entitled to the lowest rate of basic pay in the employee's grade after the action is taken which equals or exceeds his or her current rate of basic pay. If there is not such a rate, then the employee retains either his or her current rate of basic pay for the employee's grade after the action is taken, whichever is less.

(b) An employee is entitled to receive 50 percent of any increase in the maximum rate of basic pay for the grade of the employee's new position.

(c) When, as a result of an increase in the scheduled rates of the grade of the employee's new position, an employee's retained rate becomes equal to or lower than the maximum rate of the grade, the employee is entitled to the maximum rate and pay retention ceases.

(d) An employee serving under a temporary promotion at the time he or she becomes eligible for pay retention is entitled to retain the rate of

basic pay which he or she would have been receiving at that time, had the temporary promotion not occurred.

(e) When an employee who is receiving a retained rate of saved pay under some other authority is affected by an action covered by pay retention, the employee's rate of basic pay will be determined in accordance with the above. Whether the employee is entitled at the same time to continue the retained or saved rate under the other authority, will be determined under those statutory and regulatory provisions providing for the retention of saved rates.

(3) Loss of Eligibility. Pay retention ceases to apply to any employee who:

(a) Has a break in service of 1 workday or more.

(b) Is demoted for personal cause or at the employee's request.

(c) Is entitled to a rate of basic pay which is equal to or higher than the employee's retained rate.

(d) Declines a reasonable offer of a position the rate of which is equal to, or higher than, the employee's retained rate.

(4) Termination of Pay Retention. Pay retention terminates if any of the conditions listed in (3) immediately above occur. The effective date of termination of pay retention benefits is:

(a) The day before placement, if the termination is a result of the employee's placement in another position.

(b) The end of the last day of the pay period in which the employee declines a reasonable offer.

e. Exclusions

(1) Grade and pay retention will not apply to an employee who:

(a) Moves from a position which is not an agency as defined in Title 5, USC, 5102.

(b) Is identified under Title 5, USC, 2105(c), except prevailing rate employees included under Title 5, USC, 5361.

(c) Is reduced in grade or pay for personal causes or at the employee's request.

(d) Does not satisfactorily complete the probationary period prescribed by Title 5, USC, 3321(a)(2), and as a result, is removed from a supervisory or managerial position.

(2) An employee's entitlement to grade or pay retention is not affected by a temporary promotion or temporary reassignment. However, an employee serving under a temporary promotion or reassignment may not retain a grade or rate of basic pay held during the temporary promotion or temporary reassignment.

f. Criteria for Reasonable Offer. In order for an offer of a position to be considered reasonable, it must fulfill the following conditions:

(1) The offer must be in writing and must include an official position description of the offered position.

(2) The offer must inform the employee that entitlement to grade or pay retention will be terminated if the offer is declined, and that the employee may appeal the reasonableness of the offer.

(3) The offered position must be of tenure equal to, or greater than, that of the position creating the grade or pay retention entitlement.

(4) The offered position must be in an agency, although not necessarily in the same agency, in which the employee is serving at the time of the offer.

(5) The offered position must be full-time, unless the employee's position immediately before the change creating entitlement to grade or pay retention is less than full-time, in which case the offered position must have a work schedule of no less than that of the position held before the change.

(6) The offered position must be in the same commuting area as the employee's position immediately before the offer unless the employee is subject to a mobility agreement, or a published agency policy which requires employee mobility.

g. Appeal of Termination of Benefits because of Reasonable Offer

(1) Except as provided in paragraph e above, an employee whose grade or pay retention benefits are terminated on the grounds the employee declined a reasonable offer of a position, the grade or pay of which is equal to or greater than his or her retained grade or pay, may appeal the termination to the OPM.

(2) An employee who appeals under this section will file the appeal in writing to OPM not later than 2 calendar days after being notified that his or her grade or pay retention benefits have been terminated, and will state in the appeal the reasons why the employee believes the offer of a position was not a reasonable offer.

(3) OPM may conduct any investigation or hearing it determines necessary to ascertain the facts in the case.

(4) If an OPM decision on an appeal under this section requires corrective action by an agency, including retroactive or prospective restoration of grade or pay retention benefits, the agency will take that corrective action.

(5) Termination of benefits based on a declination of a reasonable offer by an employee in an exclusively recognized bargaining unit may be reviewed under negotiated grievance and arbitration procedures in accordance with Chapter 71 of Title 5, USC, the terms of any applicable collective bargaining agreement. An employee in an exclusively recognized bargaining unit may not appeal a termination of benefits to OPM if the grievance procedure of the agreement by which he or she is covered provides for this review.

(6) Decisions issued by OPM will be considered final decisions. OPM may, at its direction, reconsider an original appellate decision when new and material information is presented, in writing, by the employee or the agency which establishes a reasonable doubt as to the appropriateness of the original decision. The request must be submitted to OPM within 3 calendar days of the date of the original decision.

h. Issuance of Employee Letters. When an employee is entitled to grade and/or pay retention, the employing agency will give the employee a copy of the Notification of Personnel Action (SF-50) documenting entitlement to grade and/or pay retention, and a letter describing the circumstances warranting grade and/or pay retention and the nature of that entitlement.

i. Retroactive Entitlement. Employees who are eligible for grade retention as provided by c.(1) above, except that the reduction in grade took place on or after January 1, 1977 and before the first day of the first pay period beginning on or after January 11, 1979, will be entitled to pay and benefits.

LABOR-MANAGEMENT RELATIONS

1. Purpose. To prescribe policies and regulations concerning the conduct of labor-management relations in NAFIs under the cognizance of the CHNAVPERS.

2. Policy. The Federal Service Labor-Management Relations Statute, Title 5, USC, 7101 et seq., was implemented within the DOD by DOD Directives 1426.1 and DOD 1400.25-M. The statute, as implemented by these DOD issuances, applies to NAFIs (see Title 5, USC, 7103 (a)(2) and (3), and DOD 1400.25-M, Chapter 711).

a. Employee Rights. Each employee will have the right to form, join or assist any labor organization. Each employee also will have the right to refrain from any such activity, freely and without fear of penalty or reprisal. Each employee will be protected in the exercise of these rights. Except as otherwise provided by law, such rights include:

(1) Acting for a Labor Organization as a Representative. In this capacity, the employee may present the views of the labor organization to heads of agencies and other officials of the Executive Branch of the Government, the Congress, or other appropriate authorities.

(2) Engaging in Collective Bargaining with Respect to Conditions of Employment through Representatives Chosen by Employees in accordance with Chapter 71 of Title 5, USC. Such activity on behalf of a labor organization is not authorized if it could result in a conflict of interest, or otherwise be incompatible with the law or the official duties of the employee.

b. Management Neutrality. Supervisors and management officials will maintain a position of neutrality with regard to membership or nonmembership of subordinates in a labor organization.

c. Prohibition. Employees are prohibited from participating or assisting in a strike, work stoppage, or slowdown. They also are prohibited from picketing a NAFI activity in a labor-management dispute if such picketing interferes with the operation. Employees engaging in such illegal activity are subject to disciplinary action.

3. Exclusions. Labor-management policies and procedures described herein are not extended to aliens or noncitizens of the U.S. who occupy a position outside of the U.S. They are not extended to supervisors or management officials (as defined in paragraph 4 d and e below), nor any person who participates in a strike in violation of the law. Relationships with labor organizations of non-U.S. citizen employees will be consistent with pertinent inter-government agreements, or local practices and customs.

4. Definitions. For the sake of clarity, the following terms are defined as relating to the labor-management relations program for BUPERS NAFIs.

a. Commanding Officer. This title means the commanding officer of the activity where the NAFI is located.

b. Employer. This means the fiscal entity which identifies the NAFI for employment, work scheduling, pay and payroll tax purposes.

c. Employee. An employee means an individual compensated by NAFs.

d. Supervisor. A supervisor is an individual employed by the NAFI having any one of the following authorities in the interest of the NAFI: hiring, directing, assigning, promoting, rewarding, transferring, furloughing, laying-off, recalling, suspending, disciplining, removing employees, adjusting their grievances or effectively recommending such action. The exercise of an authority must not be merely routine or clerical in nature, but must require the consistent exercise of independent judgement. Such employees are usually classified as "exempt" employees.

e. Management Official. An individual employed by a NAFI in a position with duties and responsibilities that require or authorize the individual to formulate, determine or influence the policies of the NAF activity.

5. Exclusive Recognition

a. Recognition. A Navy NAFI will accord exclusive recognition to a labor organization which meets the requirements for recognition under Section 7111 of Title 5, USC. The labor organization must have been selected as the representative, in secret ballot election, by a majority of the eligible employees in the unit who cast valid ballots in the election. Upon receipt of certification of representative from the Regional Director of the Federal Labor Relations Authority (FLRA), the head of the NAFI will notify the president of the labor organization. This written notification will inform the labor organization that certification has been received, the date of the certification, and that exclusive recognition is, therefore, accorded to the organization as a representative of the employees in the unit described in the certification. The head of the NAF activity will advise their local Human Resources Office (HRO), BUPERS (Pers-653) and the Office of Civilian Personnel Management (OCPM) of the certifications.

b. Appropriate Unit. The FLRA will determine the appropriateness of any BUPERS NAFI unit. It will determine those groups to be included in the appropriate unit on a basis that will ensure a clear and identifiable community of interest among the employees concerned. The unit will be

designed to promote effective dealings with and the efficiency of NAF MWR operations. A unit will not be established solely on the basis of the extent to which employees in the proposed unit have organized.

c. Approval. When a labor organization has set forth the proposed unit, the MWR activity will inform and consult with BUPERS (Pers-653) prior to any agreement. Agreements for consent elections will be made only in those cases where consultation has been conducted, or where there is no unit question pending.

d. Elections. All elections by secret ballot are conducted under the supervision of the Regional Director of the FLRA. However, the responsibility for arrangements and the conduct of the election is shared by the head of the NAF activity. The labor organization and the head of the NAF activity are expected to meet and work out the details of the elections to be conducted. In the event that the parties cannot agree on any of the election details or procedures, the Regional Director will decide the matter(s) at issue. The NAF activity will reproduce notices of election, ballots and other election material, as required, and will also provide adequate facilities for the orderly and expeditious conduct of the election. Each employee eligible to vote will be given the opportunity to choose the labor organization he or she wishes to have represent him or her from among those on the ballot or to choose "no union."

e. Representation by a Recognized Labor Organization

(1) Union Rights. A labor organization which has been accorded exclusive recognition is the exclusive representative of the employees in the unit. It is entitled to negotiate collective bargaining agreements covering all employees in the unit, without discrimination, and without regard to labor organization membership. The labor organization is also responsible for representing the interest of all employees in the unit, without discrimination, and without regard to union membership. The labor organization must be given the opportunity to be represented at any formal discussions between any representative(s) of the NAFI and any employee(s) in the unit, or their representatives concerning grievances, personnel policies or practices, or other conditions of employment. The labor organization will be given the opportunity to be present during any examination of an employee in the unit by a representative of the NAF activity in connection with an investigation if:

(a) The employee reasonably believes that the examination may result in disciplinary action; and

(b) The employee requests representation. The NAF activity is obligated to advise employees annually of these rights.

(2) Employee Rights to Representation. The rights of the union do not preclude an employee from:

(a) Choosing to be represented by a representative, other than the exclusive representative, in any grievance or appeal action; or

(b) Exercising grievance or appeal rights established by law, rule or regulation, except in the case of grievance or appeal procedures negotiated in conformity with Title VII, PL 95-454.

6. Negotiations and Discussion

a. General. Representatives of a NAF activity and the exclusive representative in the appropriate unit will meet and negotiate in good faith to arrive at a collective bargaining agreement. The duty to bargain in good faith will extend to matters which are the subject of DOD or DON rules or regulations for which the FLRA has determined that no compelling need exists.

b. Compelling Need. The criteria for determining compelling need are:

(1) The rule or regulation is essential to the accomplishment of the mission of DOD or DON;

(2) The rule or regulation is necessary to ensure the maintenance of basic merit principles; or

(3) The rule or regulation implements a mandate to DOD or DON under law or other outside authority.

c. Obligation to Meet and Confer. The normal day-to-day relationship between a NAF activity and the exclusively recognized labor organization is characterized by discussion. Discussion need not automatically result in agreement. However, it should result in the careful definition of the matter or the views and suggestions of the involved parties. Questions concerning the obligation to meet and confer will be referred to BUPERS (Pers-653) for determination prior to reaching an agreement to meet and confer with the labor organization.

d. Mandatory, Permissive and Prohibited Subjects for Bargaining

(1) Mandatory subjects for bargaining are those matters and working conditions which are within the discretion of the NAF activity, which are not contrary to law or regulations of higher authority, and which do not infringe on management's authority as guaranteed in Section 7106(a) of Title 5, USC.

(2) Permissive areas of bargaining are those matters on which the activity may negotiate, if it chooses to do so. Management is not required to negotiate the numbers, types and grades of employees or positions assigned to any organizational subdivision, work project or tour of duty, or on the technology, methods, and means of performing work. The decision on whether or not to negotiate on these subjects rests with the NAF activity.

(3) Prohibited areas for bargaining are those rights reserved to management under Section 7106(a) of Title 5, USC. Management has the right:

(a) To determine the activity's mission, budget, organization, number of employees, and internal security practices.

(b) In accordance with applicable laws:

1. To hire, assign, direct, lay off and retain employees, or to suspend, remove, reduce in grade or pay, or to take other disciplinary action against such employees; or

2. To assign work, to make determinations with respect to contracting out, and to determine the personnel by which operations will be conducted.

3. With respect to filling positions, to make selections for appointment from among properly ranked and certified candidates, or any other appropriate source; and

4. To take whatever actions may be necessary to carry out the mission during emergencies.

(c) The fact that the prohibited areas for bargaining are clearly stated does not relieve management of the obligation to bargain on the impact and implementation of the exercise of that authority.

(4) Questions concerning the obligation to bargain any specific proposal will be referred to the NAF activity head or BUPERS (Pers-653) prior to negotiating the issue with the labor organization. The parties are obligated to attempt to reach agreement expeditiously if the issues are within the scope of negotiation.

7. Negotiated Agreements

a. General. The parties may negotiate a written agreement covering those personnel policies and matters affecting working conditions which are not a

a bar to negotiations under Title 5, USC. The duty to negotiate in good faith will include the obligation:

(1) To approach the negotiations with a sincere resolve to reach a collective bargaining agreement.

(2) To be represented at the negotiations by duly authorized representatives prepared to discuss and negotiate on any condition of employment.

(3) To meet at reasonable times and convenient places as frequently as may be necessary, and to avoid unnecessary delay.

(4) To furnish to the exclusive representative upon request and to the extent not prohibited by law, data which is normally maintained in the regular course of business and which is reasonable, available, and necessary.

b. Applicability of Agreements. All agreements will be applicable only to the unit for which negotiated. Agreements will not be contrary to law, government-wide regulations which specifically include NAF employees or applicable DOD or DON published regulations in effect as of the date of approval of the agreement. The only exception arises if such policy or regulation is explicitly waived with respect to the particular unit concerned in response to a joint request to BUPERS (Pers-65) by the parties to the negotiations. Agreements have the full force and effect of regulations within the unit to which they apply. Prior to the start of negotiations for an agreement, a written Memorandum of Understanding between the parties must be developed locally to establish procedures that will be followed when the contract is negotiated. This Memorandum of Understanding should contain the following:

(1) The parties.

(2) Size of negotiating teams (subcommittees, technical specialist, observers).

(3) Designation of the chief negotiator or spokesperson.

(4) Ratification of a contract.

(5) Resolution of negotiability disputes.

(6) Starting date, frequency, duration and total period of negotiations.

(7) Location of sessions.

- (8) Calling of caucus or recess, caucus space arrangements.
- (9) Record keeping.
- (10) Contract approval and 30-day period.
- (11) Mediation and means of impasse settlement.
- (12) Use of official time.
- (13) Recesses.
- (14) Proposals will be submitted at one time, in writing, and in advance.
- (15) Agreements on all proposals are tentative until agreement is reached on all proposals.

c. Basic Requirements of the Agreement. All agreements must contain articles and section addressing at least the following:

- (1) A statement identifying the parties to the agreement.
- (2) A description of the specific unit to which the agreement applies.
- (3) A procedure for the settlement of grievances (including questions concerning the ability to arbitrate the specific issue) applicable only to the unit. This procedure will be the exclusive procedure available to the parties and employees for resolving grievances which fall within its coverage. The scope and coverage will be negotiated by the parties. The grievance procedure will be fair and simple, provide for expeditious processing, and include procedures that:
 - (a) Assure an exclusive representative the right, in its own behalf or on behalf of any employee in the unit represented by the exclusive representative, to present and process grievances.
 - (b) Assure such an employee the right to present a grievance on his or her own behalf, and assure the exclusive representative the right to be present during the grievance proceedings.
 - (c) Provide that any grievance not satisfactorily settled under the negotiated grievance procedure will be subject to binding arbitration which may be invoked by either the exclusive representative or the NAF activity.

(d) Exclude any grievance concerning:

1. Claimed violations related to prohibited practices.
2. Retirement, life insurance, health insurance, or disability insurance.
3. A suspension or removal of an employee who has been removed for matters relating to national security.
4. Any examination, certification or appointment.
5. The classification of any position which does not result in the reduction in grade or pay of the employee.
6. Other matters which the parties mutually agree to exclude.

(e) A statement that an aggrieved employee effected by an action based on unacceptable performance, removal, suspension of more than 30 days, reduction in grade, reduction in pay, or a furlough of 30 days or less, may only raise the matter under the administrative grievance/appeals procedure in chapter 6 of this manual. If negotiated, an employee may use the procedures outlined in the negotiated agreement.

(4) A statement specifying the duration of the agreement.

d. Duration of the Agreement. No agreement will exceed 3 years in duration from the date of its execution. An agreement may be renewed or extended for a specific period not to exceed 3 years for each renewal or extension, where the parties so agree. However, each agreement at the time it is renegotiated, renewed or extended must be brought into conformance with applicable published policies, regulations and laws. It is the obligation of the head of the NAF activity to ascertain that the team of negotiators representing management has possession of the latest rules and regulations. Copies of those rules and regulations may be obtained from BUPERS (Pers-653).

(1) Challenge. Occasionally, a challenge to the exclusive labor organization may be filed prior to the termination date of the agreement. If this occurs while renegotiations are pending, or in process, the head of the NAFI may agree in writing with the incumbent union to extend the existing agreement. The extension may not go beyond the period during which the challenge remains unresolved plus a 90-day renegotiation period after official

notification of the final disposition of the challenge, if favorable to the incumbent organization.

(2) Dues Withholding. If the parties are unable to complete renegotiations of an agreement containing a dues withholding provision by the termination date, dues of unit members will continue to be withheld until resolution of the dispute. This continuance will remain in effect whether or not the parties agree to extend the existing agreement during the period.

e. Negotiation Impasse. If an impasse should develop during negotiations, the services of the Federal Mediation and Conciliation Service (FMCS), will ordinarily be used. If the negotiation parties have mutually agreed to third party mediation assistance, other than that of the FMCS, both parties will immediately inform the FMCS of this agreement. Such written communications will be filed with the administrator of the region in which the negotiation is scheduled, and will state what alternate assistance the parties have agreed to use.

(1) Mediation. Mediation is the primary means of resolving negotiation impasses. The NAF activity concerned in an impasse situation will participate fully and promptly in the mediation process in such a way as to make it work. When it appears that the parties are approaching an impasse situation, the NAF activity and the labor organization are encouraged to utilize all informal methods of resolving the issue available to them.

(2) Impasse Submitted to Panel. When a negotiation prevails despite the efforts of the FMCS, or other mediator, BUPERS (Pers-65) will determine whether or not the issue should be referred to the Federal Service Impasse Panel. Labor organizations may submit matters in accordance with the rules of the Panel. Third party fact finding or arbitration should not be used unless specifically authorized or directed by the Panel.

f. Federal Mediation and Conciliation Service (FMCS)

(1) Assistance and Notification. The FMCS makes its services and assistance available to Federal agencies and labor organizations. In the event of a dispute, the head of the local NAFI will notify the appropriate Regional Director of FMCS of negotiations at least 30 days prior to the expiration date of the agreement.

(2) Technical Assistance. Among its services, the FMCS provides a consulting and advisory service to activities or recognized labor organization's experiencing difficulties in establishing productive relationships. The FMCS calls this service "technical assistance." A NAF activity may initiate a request to FMCS for preventive mediation, or may join the recognized labor organization in such a request.

g. Disputes Concerning Negotiability. If an issue develops between a NAF activity and a labor organization holding exclusive recognition as to the negotiability of any subject or proposal, the following procedures will be followed:

(1) The labor organization may request a negotiability determination from the Agency that issued the rule. If the organization that issued the rule alleges that the duty to bargain does not extend to the matter, the labor organization may appeal that allegation to the FLRA.

(2) The Agency then shall, or before the 30th day after receipt of a copy of the union's position, file a statement with the Authority either:

(a) Withdrawing the allegation, or

(b) Setting forth in full its reasons supporting the allegation, furnishing a copy of such statement to the exclusive representative.

(3) The union may then, on or before the 15th day after receipt of the Agency's statement of position, file with the Authority its response to the statement.

(4) The Authority may, or may not, hold a hearing at its discretion, and will issue a written decision at the earliest possible date.

h. Disputes Over Alleged Conflict in Law or Regulations. When disputes arise over applicability of policies or regulations to NAF employees, the labor organization may submit the organization's position in writing to the Assistant Secretary of Defense (Manpower and Reserve Affairs). Labor organizations' position statements must be sent via the headquarters of the national or international labor organization with which it is affiliated. The ASD (M&RA) will furnish his or her interpretation of the provision in question. The national president of the labor organization may appeal this interpretation to the FLRA in accordance with the appropriate procedures.

i. Approval of Agreements. The effective date of an agreement will be the date of its approval by the Defense Civilian Personnel Service (DCPS) of an official delegated such approval authority, any other date upon which the parties have mutually agreed that is subsequent to the date of approval, or the 31st day following the date of execution of the agreement, if approval/disapproval action has not been taken before then.

8. Conduct of Labor Organizations and BUPERS NAFI Activities Management

a. General. Both labor and management are required to strive to maintain effective labor-management relations in accordance with the Act.

b. Standards of Conduct. In any case in which a labor organization requests or holds exclusive recognition, and a question arises as to whether the organization is in compliance with the Standards of Conduct set forth in Chapter 71, Title 5, USC, the NAFI will promptly furnish all available information concerning the matter to BUPERS (Pers-653).

c. Unfair Labor Practices. It is an unfair labor practice for a NAFI to:

(1) Interfere, restrain, or coerce employees with respect to union activity.

(2) Discriminate in conditions of work because of union membership.

(3) Sponsor, control, or assist a labor organization.

(4) Refuse to negotiate in good faith.

(5) Refuse to negotiate or cooperate in impasse procedures.

(6) Enforce a regulation which conflicts with the contract, if the contract has an earlier date than the regulation.

(7) Refuse to comply with Title VII, PL95-454 (Civil Service Reform Act of 1978) (chapter 71, 5 USC).

(d) It is an unfair labor practice for a labor organization to:

(1) Interfere, restrain, or coerce employees with respect to union activity.

(2) Induce the NAFI to discriminate against an employee.

(3) Take actions which interfere with the employees work.

(4) Discriminate because of race, color, creed, national origin, sex, age, political affiliation, marital status, or disabling condition.

(5) Refuse to negotiate in good faith.

(6) Refuse to cooperate in impasse procedures.

(7) Engage in or fail to take action to prevent a strike, work stoppage, slowdown or picketing.

(8) Refuse to comply with Title VII, PL95-454 (Civil Service Reform Act of 1978) (chapter 71, 5 USC).

(9) Deny membership, except for occupational standards or failure to pay dues.

e. Alleged Violations. An activity or labor organization may be charged with having engaged in, or engaging in, unfair labor practice. A charge alleging the violation must be submitted to the Regional Director of the FLRA. The Regional Director will investigate the charge and, if substantiated, issue a formal complaint in the name of the FLRA General Counsel. Once a complaint has been issued by the FLRA General Counsel, the charge may not be withdrawn by the charging party. However, the charges may be dismissed by the General Counsel. Issues which can properly be raised under an appeal procedure may not be raised as unfair labor practices. Issues which can be raised under a grievance procedure or as an unfair labor practice, but not under both procedures.

(1) Procedures Governing Unfair Labor Practices. Formal charges must be filed with the Regional Director of the FLRA not later than 6 months after the alleged unfair labor practice occurred.

(2) Procedure in the Event of a Strike, Work Stoppage, Slowdown, or Picketing

(a) Communication with Labor Organization. If information reaches the head of the NAF activity that the labor organization members may be, or are, engaging in activities prohibited by Section 7116(b) of Title 5, USC, he or she will seek to contact the head of the local labor organization immediately. If there is no evidence that the labor organization ordered or approved the prohibited action, and if it takes steps to order its members to cease any prohibited action, then no further action will be taken.

(b) Charge Filed. If there is evidence that the labor organization ordered, approved, or authorized the prohibited act, (even though it took prompt steps to stop the act), or the organization fails to take prompt steps to disavow the prohibited act and order its members to cease their participation, or if the organization denies that a prohibited act has taken place, an unfair labor practice charge will be filed directly with the appropriate Regional Director of the FLRA. Such charge will be filed as promptly as possible following consultation with the local HRO.

9. Dealings with Labor Organizations

a. Use of Official Time

(1) Any unit employee representing an exclusive representative in the negotiation of a collective bargaining agreement will be authorized official time for such purposes. This includes attendance at impasse proceedings, during the time the employee otherwise would be in a duty status. The number of unit employees for whom official time is authorized will not exceed the number of individuals designated as representing the NAF activity for such purpose.

(2) Any activities performed by a unit employee relating to internal business of the labor organization will be performed during the time a unit employee is not in a duty status.

(3) The FLRA shall determine whether an employee participating for, or on behalf of the labor organization in any phase of proceedings before the Authority shall be authorized official time for such purpose during the time the employee otherwise would be in a duty status.

(4) An employee representing the exclusive representative, or any other employee in the unit in labor-management relations matters, shall be granted official time in an amount mutually agreeable to management and the labor organization.

b. Solicitation of Membership and Support. NAF activity employees may not be prohibited from soliciting membership, or support on behalf of or in opposition, to a labor organization on the NAFI premises during the off-duty time of the employees involved, provided there is no interference with the work of the NAF activity.

(1) Non-employee Representatives. Subject to normal security regulations and reasonable restrictions, labor organization representatives who are not employees may be permitted, upon request, to distribute literature, solicit membership or support on NAF premises. However, these activities must be limited to nonwork areas and during the off-duty time of the employees involved. Permission will be withdrawn for any such activities which interfere with the work of the NAF activity.

(2) Right of Solicitation Restricted. If permission is granted to one labor organization for non-employee representatives to engage in organizing or campaigning activities on the NAF premises, the same privilege must be extended to any other requesting labor organization. However, when one labor organization has exclusive recognition, no other organization will be allowed

to solicit membership or support within the unit. Nevertheless, whether or not there is an exclusively recognized union, employees have the right to distribute organizing, electioneering, and campaign material for or against a labor organization in non-working areas during off-duty time. The right of solicitation may be restricted where it is necessary to maintain production and/or discipline, or where fire or safety hazards exist. When a timely challenge has been filed by a competing labor organization(s), all rights which the exclusive representative enjoys stemming from its representation function regarding use of bulletin boards and shop stewards should be continued during the campaign and electioneering period.

c. Use of Facilities

(1) General. Where exclusive recognition has not been granted, activity facilities may be made available upon request for the use of labor organizations where practicable on an impartial and equitable basis. However, before authorizing the use of the NAF facilities by a labor organization for purposes of solicitation and distribution of literature, the NAFI should reach a clear understanding with the organization on the duration, location, and nature of such activity. Where a labor organization holds exclusive recognition, the use of activity facilities by that organization is a proper subject for negotiation. Management has substantial leeway in deciding what official facilities and services over which it has control will be made available. However, there should be careful consideration before such privilege is provided. The provision of free office space for labor organizations and authorizations for the use of Intra office mail or message systems will ordinarily not be granted. Consideration should be given to the fact that precedents once established are difficult to break and may result in repeated requests for more extensive privileges.

(2) Use of Facilities Restricted. A labor organization authorized to use facilities for normal labor relations purposes pursuant to the law may not use them for social or political purposes.

d. Distribution and Posting of Labor Organization Literature. Labor organization representatives who are not employees of the NAFI may be permitted, upon request, to distribute literature in nonwork areas during the off-duty time of the employees involved. Literature posted or distributed must not violate any law, applicable regulation, provisions of a negotiated agreement, or the security of the NAFI, or contain libelous material. Organizations will be considered responsible for the contents of literature distributed by their representatives. Once exclusive recognition has been granted, management may permit, by negotiated agreement, labor organization notices, bulletins, and other literature to be distributed or posted in designated areas. Distribution must take place during off-duty time. Use of NAF mail systems, or other facilities for the distribution of such material,

will normally not be authorized. Violations of standards concerning content and distribution of literature will be grounds for revocation of this privilege. Heads of local NAFIs will determine the degree of screening required prior to distribution or posting.

e. Furnishing of Information

(1) Manuals, Directives, Bulletins. Upon request of the exclusive representative, the activity will provide the labor organization with a copy of applicable NAF personnel manuals, directives, and bulletins pertinent to personnel in the unit, and matters affecting working conditions. A labor organization which has not yet been granted exclusive recognition may request copies of applicable personnel manuals, directives and bulletins. In such instances, copies may be made available in the NAF office to representatives of the labor organization. Upon request, the NAFI will place a labor organization, which has been granted exclusive recognition, on its distribution list to receive copies of applicable personnel manuals, directives and bulletins.

(2) Lists

(a) Request for Lists. Labor organizations may request lists of names of employees, particularly at the start of a membership drive. Depending on the specific request, lists may include such information as names, job titles, job levels, departments, and locations of employees. Home addresses and telephone numbers of NAF employees will not be given to labor organizations. A charge may be made by the NAF activity to recover the actual cost of preparing such lists. The cost will include direct and indirect labor plus supplies.

(b) List Furnished to Regional Director. When a list of unit employees is furnished to a Regional Director for use in checking a labor organization's showing of interest, a copy of the list will be furnished, without charge, to the petitioning organization and to any other labor organization qualifying as an intervenor under FLRA regulations.

(c) Matter for Negotiation. In the case of the labor organization granted exclusive recognition, the frequency with which updated lists of unit employees are furnished is a matter for negotiation.

f. Meetings with Labor Organizations. The use of official time for meetings between a labor organization and management is a matter of local determination by the parties, except for prohibited activities mentioned above.

g. Union Sponsored Training Session. An employee who is an official or representative of a labor organization granted exclusive recognition may be excused, without charge to leave, to attend a training session sponsored by that organization. This privilege may be granted provided that the subject matter of such training is of mutual concern and advantage to the NAFI and the employee in his or her capacity as an organization representative. Administrative leave for this purpose should cover only such portions of a training session as meet the foregoing criteria and will normally not exceed the equivalent of 1 day's work for any individual within a twelve month period.

h. Non-employee Rights. Representatives of labor organizations, who are not employees of the NAFI, need not be given any right to use NAF facilities except as may be provided by an agreement with a recognized labor organization or pursuant to established policy.

10. Payroll Withholding of Labor Organization Dues. Once exclusive recognition is granted, the NAFI and the labor organization may enter into an agreement whereby members of the organization who are employees in the unit may authorize the payment of their dues to the organization through a payroll deduction. Employees who are members of the labor organization but who are not included in the unit cannot participate in the plan for payroll withholding of dues. Arrangements with respect to voluntary allotment of payment of labor organization dues will conform to Section 7115 of Title 5, USC.

11. Bargaining/Labor Relations Objectives

a. Negotiation results should

- (1) Retain flexibility in changing hours of work and workweek.
- (2) Retain flexibility in changing work assignments.
- (3) Keep grievance procedures simple.
- (4) Exclude adverse actions, and termination of probationary employees from grievance/arbitration procedures.
- (5) Keep merit promotion procedures as simple as possible.
- (6) Eliminate language which applies only to APF employees.
- (7) Not limit work assignments to position descriptions.

BUPERSINST 5300.10
3 Dec 97

b. NAF management officials and supervisors are encouraged to participate in labor-management relations training offered by the OCPM.

DISCIPLINARY ACTION PROCEDURES

1. Basic Disciplinary Actions

a. Oral Admonishment. To be most effective, oral admonishment should be conducted by management, and in private, as promptly as possible in such a manner that it doesn't cause embarrassment to the employee. The employee should be advised of what he or she did wrong; when it occurred, the circumstances surrounding the incident, and what expectations management has relative to the incident. Finally, the employee should be informed that repeated occurrences of misconduct could lead to formal disciplinary action. The employee should be encouraged to enter into a dialogue with the supervisor to discuss his or her side of the issue. Upon completing the admonishment, the supervisor should make a memo for the record of the incident and discussion. Such memos are retained by the supervisor for a period of 2 years from the date of the admonishment. Such memos may be used during that time as a basis for stronger disciplinary action in the event the same employee causes another infraction within that time period. Supervisory memos relating to oral admonishment will not be placed in the OPF. Oral admonishments are not grievable, nor appealable, by any category of NAF employees.

b. Letters of Reprimand. A reprimand is a written communication from a supervisor or manager to an employee that identifies unacceptable misconduct. The reprimand cites the incident in sufficient detail so that the employee fully understands the action for which he or she is being censured. Letters of Reprimand are not preceded by a proposal. The reprimand also contains a statement that it will be placed in the employee's OPF for a 2-year period from the date of receipt of the letter, and that during that time it may be used as a basis for taking stronger disciplinary action should future infractions or conduct warrant such actions. Letters of Reprimand are grievable by all categories of employees.

c. Suspensions of 30 days or less. This type of suspension should be limited to regular employees only in that it generally does not make sense to suspend flexible employees. If a flexible employee is guilty of an action deserving suspension, he or she should generally be terminated. A suspension places an employee in a non-pay status and should be used when a supervisor determines that serious or repeated offenses have occurred. Letters of Suspension of 30 days or less are not preceded by a "propose to suspend." Instead, the initial letter is the letter of decision to suspend. In short, no notice period is given. Such decision letters must contain an eligible employee's right to grieve the action. (All employees are granted grievance rights in such instances). Suspension letters must be followed with an appropriate PAR. A copy of such action is placed in the employee's OPF as a

permanent record. A second copy is sent to the appropriate payroll office in order to assure the employee's salary is adjusted to time off under suspension.

d. Authority to take Basic Disciplinary Actions. The program director is granted authority for issuing/signing reprimands and suspensions of thirty days or less. He or she may delegate such authority to whatever level deemed appropriate.

e. Figures C-1 and C-2 provide sample letters of Basic Disciplinary Actions.

f. Letters of Caution for performance are addressed in Chapter 2, Section 219.c.1 of this manual.

2. Severe Disciplinary Actions

a. Applicability - all employees. Although these actions may be taken against any employee, notice and appeal rights are only granted to regular full or part-time nonprobationary employees. Severe disciplinary actions against flexible employees or regular probationary employees, full or part-time, require only 7 days notice. While probationary employees may not appeal such actions, flexible employees who have been on the rolls of the employing NAFFI for 3 years or longer, may grieve severe disciplinary actions.

b. Such actions are involuntary actions taken against an employee as a result of unacceptable conduct. These actions include suspensions of over 30 days, demotions for cause, (i.e., from a higher to a lower grade for nonpay band employees, or from one pay level/band to a lower pay level/band for pay band employees), reductions in base pay, and terminations.

c. Standard proof in all severe disciplinary actions shall be substantive evidence which is defined as such relevant evidence as a reasonable mind might accept to support a conclusion.

3. Proposing Severe Disciplinary Actions

a. Written proposals or notices of such actions must be provided to the employee not less than 14 days in advance of the proposed action. Such written proposals will include:

(1) The proposed action, e.g., termination, demotion, suspension.

(2) The employee's conduct that led to the proposed action. This must be detailed in sufficient length to allow the employee pertinent facts,

e.g., time(s), dates, etc., upon which the employee may base a response to the charge.

(3) Opportunity to review all evidence relied upon to support the proposal.

(4) Given the right to provide written rebuttal within 7 days of receipt of the proposed action to the charges to the official who is to decide the proposed action, i.e., the program director (figure C-3 provides a sample notice of proposed action).

b. The Written Decision

(1) Must be delivered to the employee in advance of the effective date of the proposed action.

(2) Identifies which charge or charges in the original letter of proposal were sustained, based on the employees' rebuttal, if any, and which were not sustained.

(3) Provides employees with decision and effective date.

(4) Provides right to appeal the decision to the NAFI commanding officer within 7 days of receiving the program directors' decision.

(5) Grants the right of the employee to be represented by an individual of his or her choosing during the appeal process subject to the willingness of the chosen person to serve (if a NAF employee of the organization), and the priority needs of the organization, and no conflict of interest or position. Assures that the chosen representative will be free from restraint, coercion, discrimination, or reprisal.

(6) Allows for one formal hearing of the issue at the local level.

c. The Decision. The program director has his or her decision finalized, e.g., terminates the employee. The employee is not kept on the rolls of the activity for purposes of appeal. Figure C-4 provides a sample Letter of Decision of severe disciplinary action.

d. The Hearing. If a hearing is requested from the employee to the commanding officer within the required 7 day time frame from the date of receipt of the program director's decision, the commanding officer grants the employee's request for a hearing. The hearing is used to ascertain and consider the facts upon which the severe disciplinary action was taken and the

reasons the employee feels the decision should be reversed. A comprehensive record of the hearing will be obtained, including the recommendation of the hearing officer, which will be in writing and attached to the record of hearing. The employee will be given the opportunity to submit evidence and the testimony of witnesses, cross examine witnesses, and present appropriate affidavits and depositions.

e. The Commanding Officer's Decision (First Level of Appeal)

(1) Based upon the record of the hearing, the recommendations of the hearing officer and other data sent by the program director, the commanding officer makes the first level appeal decision. Such decision must be in writing and provided to the appellant within 45 days of completion of the hearing. If no hearing was requested or held, the commanding officer has 45 days from the date of receipt of the appeal to provide the appellant with the first level of appeal decision.

(2) In the absence of a hearing, the commanding officer may conduct "fact finding" relative to the appeal in any manner deemed appropriate, e.g., appointment of a fact finder or investigator, or on the basis of the case as presented.

(3) The commanding officer will provide the decision along with rationale, and further specify the employee's right of appeal to BUPERS, the time limits for such an appeal, and how and where such an appeal must be filed. An example of the commanding officer's decision is at Figure C-5. Such appeal must be filed by the employee via the commanding officer to BUPERS (Pers-65), postmarked within 14 days of the commanding officer's decision. The standard of review throughout the appeal process will be substantial evidence.

4. Appeal to BUPERS. The decision by BUPERS (Pers-65) will be issued in writing within 60 days of receipt of the employee's appeal. The CHNAVPERS' decision is the final Navy decision and may not be appealed.

5. Standard of Proof. The standard of proof in deciding disciplinary actions and any grievances or appeals thereof will be substantial evidence. Substantial evidence is defined as such relevant evidence as a reasonable mind might accept to support a conclusion.

6. Emergency Suspensions. As an exception to required 14 day advance notice of proposed severe disciplinary actions, management may place a regular nonprobationary employee on emergency suspension without pay when retention of the employee might result in damage to or loss of property or funds, might prove injurious to the employee or others, or when there are reasonable

reason(s) to believe that the employee is guilty of a crime for which a prison sentence may be imposed. In such cases, the employee may be provided with a minimum of 24 hours advance notice, in a pay status, of the emergency suspension. Such suspensions are used to gather data concerning the employee's conduct upon which to base an ultimate decision as to the course of final action to take concerning the employee's conduct. If, after necessary fact gathering, management decides that the employee's conduct warrants a suspension, the time spent in the emergency suspension will count toward the decided final suspension. If the decision is to separate the employee, he or she is provided with the facts of the case, separated and provided with necessary appeal rights. If, however, management's decision is to suspend for 30 days or less, the action is only grievable and time already spent in suspension counts toward the decided days to suspend. If management determines that the employee is innocent of perceived misconduct and drops the charge, then all time spent in the emergency suspension without pay is compensated in full. The employee may not appeal emergency suspension independently of any appeal made on the merits of the case unless no disciplinary action is taken against the employee.

7. Special Provisions for Grieving Severe Disciplinary Actions by Regular Probationary and Flexible Employees

a. The process for this category of employee does not require a proposed action followed by a decision. Instead, the notice represents the action management has decided to take relative to the conduct that led to the severe disciplinary action.

b. Since a proposed notice is not used, management must assure that it has gathered or collected all necessary data in support of the action. The notice, as such, is a notice of finding and decision. As a minimum, such notices must include:

(1) The action to be effected, i.e., termination, suspension for more than 30 days, reduction in base pay, or

(2) The conduct that led to the decision. This must be given in sufficient detail so as to allow the employee all pertinent facts used in arriving at the decision so as to allow the employee to not only understand the charge, but also in sufficient content and clarity as to be used in his or her grievance if such is allowed.

(3) Rationale behind the decision.

(4) Opportunity to review all evidence relied upon to support the charge.

(5) Grievance rights, if any, along with a time frame (7 days) in which to grieve and name and address of individual to whom the grievance should be directed.

(6) Since program directors, or incumbents of similar positions designated by the commanding officer, will normally sign severe disciplinary action decisions, commanding officers will make the decision on the grievance in such matters. As such, the grievance process under such circumstances is a one level process. The decision of the commanding officer is the final DON decision on the matter.

c. The severe disciplinary action need not be held awaiting the outcome of the commanding officer's decision.

8. Official Records. An official record will be established for each disciplinary action effected. This official record will be maintained for a period of at least 2 years from the date of the action. The record will consist of:

- a. The appellant's petition of appeal.
- b. A copy of the notice of proposed disciplinary action.
- c. A copy of the appellant's written response, if any, to the notice of proposed action.
- d. A summary of the appellant's oral response, if any, to the notice of proposed action.
- e. A copy of the written decision of disciplinary action.
- f. A copy of the official document effecting the disciplinary action.
- g. Any and all evidence relied upon in support of the disciplinary action.

9. A NAF employee may not grieve nor appeal any disciplinary action, either basic or severe, seeking redress under any provisions of any equal employment opportunity (EEO) law. The employee must make an election. If the employee follows the EEO path, they may not appeal or grieve the same discipline through the administrative provisions of this manual. If the employee grieves or appeals under the provisions of this manual, the employee may not complain using the EEO process.

10. The following paragraphs list potential offenses that could occur in a NAFI, and a range of disciplinary action penalties that could be taken for each of those offenses. It is emphasized that this is a guide and is not all conclusive. Where local command directives conflict with the following, the command directive takes precedence.

a. Offenses will be a matter of official records from 2 years from the date of receipt of disciplinary action by the employee. After 2 years, the offense will not count for purposes of this guide.

b. Violation of security regulations, including but not limited to:

(1) Failure to carry or show proper identification on Government premises as required, or misplacement or loss of an identification badge; or

(2) Failure to safeguard classified materials; or

(3) Breach of regulations which does not result in release of security information to unauthorized sources, and when there is no evidence of a compromise of classified information; or

(4) When the violation is intentional or results in unauthorized release or compromise of security information.

(a) 1st Offense: Written reprimand to termination of employment.

(b) 2nd Offense: 1 day suspension to termination of employment.

(c) 3rd Offense: 5 days suspension to termination of employment.

(5) This guide is to be used in instances of violations of security regulations only in absence of specific command prerogatives. In absence of specific command prerogatives, consider the nature of the employee's position or assignment, whether disclosure resulted, and the classification of the jeopardized matter.

c. Violation of Safety Practices and Regulations (including but not limited to endangering the safety of or causing injury to, persons through carelessness).

(1) 1st Offense: Written reprimand to 1 day suspension

(2) 2nd Offense: 2 days suspension to termination of employment.

(3) 3rd Offense: 15 days suspension to termination of employment.

d. Discrimination

(1) 1st Offense: Written reprimand to termination of employment.

(2) 2nd Offense: Termination of Employment.

e. Unexcused failure to ring a clock or otherwise record time in or out.

(1) 1st Offense: Written reprimand.

(2) 2nd Offense: 2 day suspension.

(3) 3rd Offense: 3 days suspension to termination.

f. Ring a clock or otherwise record time in or out for another employee, or to permit an unauthorized employee to ring a clock or otherwise record time in or out for oneself; or falsifying attendance record for oneself or for another employee; or for permitting another employee to falsify one's attendance record.

(1) 1st Offense: Written reprimand to 1 day suspension

(2) 2nd Offense: 2 days suspension to 5 days suspension.

(3) 3rd Offense: 5 days suspension to termination of employment.

g. Insubordination, including but not limited to:

(1) Disobedience to constituted authorities, or deliberate refusal to carry out any proper order from immediate supervisor having responsibility for the work of the employee; or

(2) Disrespectful conduct toward constituted authorities; or use of insulting, abusive, or obscene language to constituted authorities; or physical resistance to constituted authorities.

(3) Deliberate failure or undue delay in carrying out orders, work assignments, or instruction of supervisors.

(a) 1st Offense: Written reprimand to termination of employment.

(b) 2nd Offense: 3 days suspension to termination of employment.

(c) 3rd Offense: 10 days suspension to termination of employment.

h. Loafing or wasting time; sleeping during working hours.

(1) 1st Offense: Written reprimand to 2 days suspension of employment.

(2) 2nd Offense: 3 days suspension to termination of employment.

(3) 3rd Offense: 10 days suspension to termination of employment.

i. Immoral, indecent or notoriously disgraceful conduct, e.g., incest, child abuse, self-mutilation.

(1) 1st Offense: 5 days suspension to termination of employment.

(2) 2nd Offense: 30 days suspension to termination of employment.

(3) 3rd Offense: Termination of employment.

j. Disorderly conduct; i.e., rude, boisterous play which adversely affects production, discipline or morale, or which endangers the safety of persons or property; or use of insulting, abusive or obscene language to, or about, other personnel, or quarreling or inciting to quarrel; or fighting, threatening, or attempting to inflict or inflicting bodily harm to another; or use of violent language which adversely affects production, discipline or morale.

(1) 1st Offense: Written reprimand to termination of employment.

(2) 2nd Offense: 15 days suspension to termination of employment.

(3) 3rd Offense: Termination of employment.

k. Solicitation of gambling on Government owned/leased premises.

(1) 1st Offense: Written reprimand to 10 days suspension.

(2) 2nd Offense: 10 days suspension to termination of employment.

(3) 3rd Offense: Termination of employment.

l. Gambling or unlawful betting on Government owned/leased premises.

(1) 1st Offense: Written reprimand to 10 days suspension.

(2) 2nd Offense: 10 days suspension to termination of employment.

(3) 3rd Offense: Termination of employment.

m. Misconduct off duty which reflects unfavorably on the NAFI.

(1) 1st Offense: Written reprimand to termination of employment.

(2) 2nd Offense: 3 days suspension to termination of employment.

(3) 3rd Offense: 5 days suspension to termination of employment.

n. Illegal or improper introduction, possession or use of drugs not prescribed by a medical doctor, narcotics or intoxicants, within any place under jurisdiction of the Federal government, or reporting to work while under the influence or impaired by any of the above substances. (If an employee reports to work under the influence of or impaired by a medicine prescribed for the employee, he must be sent on sick or annual leave, or, if none is accrued, on LWOP. Such action will not be considered as disciplinary).

(1) 1st Offense: An employee found to use illegal drugs must be referred to the Civilian Employee Assistance Program (CEAP). Additionally, an employee who voluntarily refers him/herself to the CEAP as a user of illegal drugs under the "safe harbor" provision of CPI 792 will be exempt from disciplinary action. The activity will initiate action to remove an employee who refuses to obtain counseling or rehabilitation through the CEAP as required by E.O. 12564 after having been found to use illegal drugs.

(2) 2nd Offense: Process in accordance with local command directives.

(3) For these offenses, this guide is to be used only in the absence of specific command prerogatives.

o. Violating base parking or traffic regulations including but not limited to reckless driving on property or improper operation of motor vehicle.

(1) 1st Offense: Written reprimand to 2 days suspension.

(2) 2nd Offense: 3 days suspension to 10 days suspension.

(3) 3rd Offense: 10 days suspension to termination of employment.

(4) For these offenses, this guide is to be used only in the absence of specific command prerogatives.

p. Actual or attempted taking and carrying away government or NAFI property or funds, or the property or funds of others.

- (1) 1st Offense: Written reprimand to termination of employment.
- (2) 2nd Offense: Termination of employment.

q. Knowingly making false, unfounded or malicious statements which are slanderous or libelous, about NAFI personnel or other personnel attached to activity at which the NAFI is located.

- (1) 1st Offense: 1 day suspension to 15 days suspension.
- (2) 2nd Offense: 15 days suspension to termination of employment.
- (3) 3rd Offense: Termination of employment.

r. Unexcused tardiness (after a record of excessive tardiness has been established).

- (1) 1st Offense: Written reprimand to 2 days suspension.
- (2) 2nd Offense: 3 days suspension to 15 days suspension.
- (3) 3rd Offense: 15 days suspension to termination of employment.

s. Failure to honor a valid debt which places an administrative burden on the NAFI.

- (1) 1st Offense: Written reprimand to 1 day suspension.
- (2) 2nd Offense: 2 days suspension to 5 days suspension.
- (3) 3rd Offense: 5 days suspension to termination of employment.

t. Malicious damage to NAFI property or the property of NAFI employees.

- (1) 1st Offense: Written reprimand to termination of employment.
- (2) 2nd Offense: 5 days suspension to termination of employment.
- (3) 3rd Offense: Termination of employment.

u. Loss of, or damage to, NAFI property, including government funds, or the property or funds of NAFI employees, or endangering any of the above through carelessness.

- (1) 1st Offense: Written reprimand to 10 days suspension.
- (2) 2nd Offense: 10 days suspension to termination of employment.
- (3) 3rd Offense: Termination of employment.

v. Failure to report to proper authority personal knowledge of serious offenses on the job on the part of another employee. Such serious offenses include, but are not limited to:

- (1) Disorderly conduct which endangers the safety of personnel or NAFI property or the property of others; or
- (2) Violation of security regulations; or
- (3) Theft; or
- (4) Indecent, immoral or notoriously disgraceful conduct; or
- (5) Discrimination; or
- (6) Falsification of NAFI records.
 - (a) 1st Offense: Written reprimand to termination.
 - (b) 2nd Offense: 3 days suspension to termination.
 - (c) 3rd Offense: 15 days suspension to termination of employment.

w. Falsification, misstatement, exaggeration, or concealment of material fact in connection with employment, promotion, any record, investigation, or other proper proceeding.

- (1) 1st Offense: Written reprimand to termination of employment.
- (2) 2nd Offense: 15 days suspension to termination of employment.
- (3) 3rd Offense: Termination of employment.

x. Gross negligence.

- (1) 1st Offense: Written reprimand to termination of employment.
- (2) 2nd Offense: 30 days suspension to termination of employment.

(3) 3rd Offense: Termination of employment.

y. Violations of confidential wage data obtained during wage survey of private companies.

(1) 1st Offense: 15 days suspension to termination of employment.

(2) 2nd Offense: Termination of employment.

z. Abuse of NAFI privileges.

(1) 1st Offense: 15 days suspension and 6 months withdrawal of privilege to termination of employment.

(2) 2nd Offense: Termination of employment.

aa. Abuse of sick leave (including abuse of leave without pay granted for reasons of health).

(1) 1st Offense: Written reprimand to 5 days suspension.

(2) 2nd Offense: 5 days suspension to termination of employment.

(3) 3rd Offense: Termination of employment.

(4) Requesting a doctor's certification in writing is a management prerogative and does not constitute a disciplinary action.

bb. Unexcused or unauthorized absence, including abandonment of position.

(1) 1st Offense: Written reprimand to 5 days suspension.

(2) 2nd Offense: 5 days suspension to termination.

(3) 3rd Offense: 10 days suspension to termination of employment.

cc. Leaving the job to which assigned at anytime during working hours without proper permission.

(1) 1st Offense: Written reprimand to 5 days suspension.

(2) 2nd Offense: 5 days suspension to 10 days suspension.

(3) 3rd Offense: 10 days suspension to termination of employment.

BUPERSINST 5300.10
3 Dec 97

dd. Conducting, assisting, or participating in any strike against the Government of the U.S. or any agency thereof.

(1) 1st Offense: Termination of employment.

ee. Conducting, assisting, or participating in activities concerned with the internal management of labor organizations or membership meetings, solicitation of membership and distribution of literature during working hours.

(1) 1st Offense: Written reprimand to 10 days suspension.

(2) 2nd Offense: 10 days suspension to 30 days suspension.

(3) 3rd Offense: 30 days suspension to termination of employment.

SAMPLE BASIC DISCIPLINARY ACTION
LETTER OF REPRIMAND

5 August 1996

From:
To:

Subj: LETTER OF REPRIMAND

1. This letter of reprimand is based on your tardiness in reporting to work. To be more specific, on 12 July 1996, you arrived at work at 0930, which is 2 hours later than the start of your scheduled work day, i.e., 0730. When your supervisor, Charlie Tuna, asked why you were late, you stated that you had overslept.

2. This is the second time you have been late for work. In fact, as a result of your lateness on 10 June 1996, you were orally admonished for your tardiness and told that repetition of tardiness could lead to disciplinary actions.

3. A copy of this letter of reprimand will be placed in your Official Personnel Folder for a period of 2 years from the date of receipt of this letter. During this 2 year period, the charge contained in this letter may be used as a basis to support more severe disciplinary action in the event you fail to abide by established conduct, rules or policies within that time frame.

4. You have a right to grieve this action. If you do decide to grieve, you must do so in writing and within 7 calendar days of receipt of this notice. Such grievance must be sent to the activity Program Director, and contain:

- a. A detailed and clear description of the grievance.
- b. Previous attempts or steps taken to resolve the issue.
- c. The relief being sought.

5. Questions pertaining to this action should be addressed to Ms. Ida Hoe of our NAF Civilian Personnel Office. Her phone number is 444-1245.

KNEE BOP
MWR Director

Figure C-1

BUPERSINST 5300.10
3 Dec 97

SAMPLE BASIC DISCIPLINARY ACTION

5 August 1996

From: MWR Director
To: Mr. Lionel D. Lemon, CPO Club, NAS Anywhere

Subj: SUSPENSION OF 30 DAYS OR LESS

Ref: (a) BUPERSINST 5300.10 (BUPERS NAF Personnel Manual)

1. This letter is written to notify you that you will be suspended from work without pay for 30 days from your position as bartender, NF-7405-02, full-time, as of (date). You will return to work on your regular schedule on (date).

2. The reason for your suspension is your use of offensive and vulgar language while on duty. To be more specific, three customers filed a written and signed complaint to the club manager that stated, in part, that on 28 July 1996, at approximately 1430, you swore at several customers who happen to be rooting for the Washington Redskins (the TV game was on in the lounge where you were working and the Redskins were playing the Dallas Cowboys). Your language was not only loud, but highly insulting to the family lineage of those to whom your profanity was addressed. Two customers, in fact, have claimed that they will never again bring their business to our lounge bar as long as you work there. In discussing this charge with you on 30 July 1996, you agreed with the charges as written by the three patrons. In your defense, you stated that you were not feeling well on the day of the incident, and that the customers' antics over a "silly and stupid football game," got on your nerves and you exploded.

3. As you know, you were given a letter of reprimand, dated 12 April 1995, for a similar offense. That charge was weighed in arriving at this 30-day suspension.

4. A copy of this letter of suspension, along with a corresponding personnel action, will be made a permanent part of your Official Personnel Folder. If, however, during the next 2 years from the date of receipt of this notice, you fail to abide by established work rules, policies and/or standards of conduct, this 30-day suspension may be used to support stronger disciplinary action, including removal.

5. You may grieve this action. If, however, you do decide to grieve, you must do so in writing and within 7 calendar days of receipt of this notice. Such grievance must be sent to the activity Program Director's office, and contain:

- a. A detailed and clear description of your grievance.
- b. Previous attempts or steps taken to resolve the issue.
- c. The relief being sought.

6. Questions pertaining to this action should be addressed to Ms. Ida Hoe of our NAF Civilian Personnel Office. Her phone number is 696-1243.

CLAUDE HOPPER
MWR Director

Figure C-2

BUPERSINST 5300.10
3 Dec 97

SAMPLE SEVERE DISCIPLINARY ACTION
PROPOSED REMOVAL (REGULAR EMPLOYEES ONLY)

5 August 1996

From: MWR Director
To: Mr. Im B. Conduct, Marina Tie-Down Master, NAS Somewhere
Subj: NOTICE OF PROPOSED REMOVAL FOR CAUSE

1. You are hereby notified that you will be removed from your position as NF-1101-01, Marina Tie-Down Master, no earlier than 7 days from the date of receipt of this notice, due to the following charges and specifications:

a. Charge 1. Insubordination.

Specification 1. On or about 12 April 1996, you called Mr. Sloop E. Sales a rotten scum, a screwed-up flea bag, and a stupid loudmouth or words to that effect.

Specification 2. That between 1 January 1996 and 12 April 1996, you failed to make the proper log entries as directed by your supervisor, Mr. Sloop E. Sales, either by intentionally failing to carry out his orders or by undue delay in carrying out his orders.

b. Charge 2. Battery

Specification. On or about 12 April 1996, you hit Mr. Sloop E. Sales on or about the face as you left the marina.

2. On or about 1 March 1996, you were given a 20-day suspension for insubordination for failure to carry out the orders of your supervisor, Mr. Sloop E. Sales, when you did not tie down the MWR gig, Always Par Tay, which led to \$10,000 damage to the gig.

3. Because of your present actions and those cited in paragraph 2, I am proposing removal as a MWR employee.

4. All documents, statements, and other evidence which I have utilized in reaching my decision are available for your inspection at the MWR Personnel Office, Building 20001, NAS Somewhere.

5. You may wish to provide rebuttal to this proposal of termination. If so, such rebuttal must be in writing and postmarked or received by me or my secretary, Ms. Typewriter, in my office at Building 20001, NAS Somewhere, within 10 calendar days of receipt of this proposal.

CLAUDE HOPPER
MWR Director

NOTE: If a suspension or reassignment of duties is in order, the following paragraphs may be utilized.

1. Suspension. Because your present actions and those cited in paragraphs 1 and 2, indicate a propensity for violence and theft, I have decided to suspend you without pay as of the end of your shift on Date XXXXX.

2. Reassignment. Because of your present actions and those cited in paragraph 2, I have decided to assign you to duties as a phone watch at your home of record immediately upon receipt of this letter.

BUPERSINST 5300.10
3 Dec 97

SAMPLE SEVERE DISCIPLINARY ACTION

DECISION TO REMOVE (REGULAR EMPLOYEES ONLY)

16 August 1996

From:

To: Ms. Conduct, Marina Tie-Down Master, NAS Somewhere

Subj: DECISION TO TERMINATE EMPLOYEE FOR CAUSE

Ref: (a) Notice of Proposed Removal, 12272, code xxxx of 5 Aug 96
(b) Your Letter of Rebuttal of 10 Aug 96

1. This letter represents my decision to remove you from your position as Tie-Down Master, NF-1101-01, and from the rolls of this organization as of close of business 21 August 1996 as proposed in reference (a).

2. I have reviewed your written rebuttal, reference (b), to the charges in reference (a) and find that your explanation of the events lacks credibility. You denied hitting Mr. Sales, calling him names and not completing your log entries. However, Mr. Sales's testimony and that of the other witnesses clearly establishes that you hit him and called him the names as alleged. The log books clearly show that you did not make the entries as required. Without even considering your prior misconduct, these actions alone are sufficient grounds to terminate your employment. Any benefit of the doubt you have in this case is clearly overcome by the fact that this is not the first time you have been disciplined for misconduct. Therefore, your termination is upheld.

3. You have a right to appeal this decision to the Program Director (MWR or BQ). Such appeal must be in writing and received in the MWR Director's office, or be postmarked, no later than 7 calendar days from receipt of this decision. If you can not complete your appeal within 7 days, additional time may be granted for completion of your appeal for good cause shown. Your extension request must be in writing and submitted prior to the expiration of the 7 day time period.

4. During the appeal process, you have a right to a representative of your choosing in keeping with the following guidance:

a. You cannot elect to choose an employee of a NAFI personnel office, a government attorney, or an employee of a government legal office.

b. Your selection of a NAF employee is acceptable as long as such selection meets with the selected employee's approval, and management does not object on the basis of conflict of interest, or priority workload requirements.

c. You may hire an attorney of your choice; however, you may not have both a government employee and an attorney as your representative. You may have one or the other but not both. As soon as you have obtained a representative, either an attorney or an employee representative, please inform this office in writing of their name, business address, and phone number.

Subj: DECISION TO TERMINATE EMPLOYEE FOR CAUSE

d. Any fees charged by any representative are to be paid by yourself. No fees will be paid by the government or the NAFI.

e. You and your chosen representative will be free from restraint, coercion, discrimination, or reprisal.

f. Once appointed and accepted, your representative will act as your sole point of contact with this activity on all matters pertaining to your appeal.

5. You have a right to a hearing during the appeal process. This hearing, if requested, will take place at the activity level, and will precede any decision from the commanding officer. If such a hearing is requested, it should be contained in your letter of appeal to the commanding officer. The hearing will be used to ascertain the facts of the case, and to allow you or your representative an opportunity to state your case as to why this decision should not be allowed to stand. During this hearing, which will be "heard" by a Hearing Officer of the commanding officer's choosing, you or your representative will be given an opportunity to submit evidence, including the testimony of witnesses; cross examine witnesses; and/or present appropriate affidavits and depositions. The chosen Hearing Officer will contact you or your representative prior to the hearing to allow for reasonable "preparation" time. This hearing is an administrative hearing and as such is not a legal or judicial procedure. Therefore, while this hearing will be conducted in a fair and impartial manner, the rules of evidence and other procedural rules associated with a formal judicial proceeding will not be utilized.

NOTE: For activities with a union the following should be utilized: xxx is an employee organization which has been granted exclusive recognition to represent employees of this command in labor relations matters. You have elected not to utilize their services in representing you. That is your right. However, a representative of the organization may be present and may make a statement of the organization's views concerning the case for inclusion in the record.

6. The commanding officer will consider all evidence presented including the hearing transcript and the recommendation(s) and opinions of the Hearing Officer, and will provide you with a decision within 45 days of receipt of the Hearing Officer's report. You will be given further appeal rights if the commanding officer does not provide you with the remedy sought.

7. Ms. Ida Hoe, of our NAF Civilian Personnel Office, will be in contact with you prior to your last day on our organization's rolls in order to "out-process" you, i.e., collect necessary ID cards, make arrangements for final paycheck mailing, obtain a final mailing address, and to answer questions you might have concerning this and related matters.

CLAUDE HOPPER
MWR Director

Figure C-4a

BUPERSINST 5300.10
3 Dec 97

COMMANDING OFFICER DECISION ON APPEAL OF TERMINATION FOR CAUSE

16 September 1996

From: Commanding Officer, NAS Anywhere
To: Ms. Conduct, Marina Tie-Down Master

Subj: DECISION ON YOUR APPEAL OF YOUR TERMINATION FOR CAUSE

Ref: (a) BUPERSINST 5300.10
(b) Hearing Officer's Report
(c) MWR ltr 12772 of XXX
(d) MWR ltr 12300 of XXX
(e) Your ltr of 1 Aug 96

1. Per reference (a) and after reviewing reference (b) and the transcript of the hearing held XX August 1996, I have determined that you were properly terminated for cause. By reference (c), your MWR Director, Claude Hopper, proposed your termination because of a charge of insubordination and battery. You were specifically charged with two specifications of insubordination and one specification of battery. They were:

a. Charge 1. Insubordination.

Specification 1. On or about 12 April 1996, you called Mr. Sloop E. Sales a rotten scum, a screwed-up flea bag, and a stupid loudmouth or words to that effect.

Specification 2. That between 1 January 1996, and 12 April 1996, you failed to make the proper log entries as directed by your supervisor, Mr. Sloop E. Sales, either by intentionally failing to carry out his orders or by undue delay in carrying out his orders.

b. Charge 2. Battery

Specification. On or about 12 April 1996, you hit Mr. Sloop E. Sales on or about the face as you left the marina.

2. Reference (b) clearly shows that on 12 April 1996, you called Mr. Sloop E. Sales a rotten scum, a screwed-up flea bag, and a stupid loudmouth before you hit him. You also failed to make proper log entries as directed by your supervisor. While you denied calling Mr. Sales any names and hitting him, the testimony of Mr. Sales and Ms. No Zee directly contradict your statements. I find your testimony unworthy of belief concerning the above incidents and find no credibility to your testimony that you were not instructed on how to do the log entries. I also believe Mr. Sales' statement that you were properly instructed in your duties, but failed to carry them out as directed. Additionally, I am deeply concerned that you were previously disciplined for insubordination and apparently have made no effort to change your behavior to conform to that expected of a MWR employee. Therefore, I am upholding your termination.

3. You have a right to appeal my decision in writing to the Chief of Naval Personnel. Your appeal must be postmarked within 14 days of the receipt of this decision. Your

BUPERSINST 5300.10
3 Dec 97

Subj: DECISION ON YOUR APPEAL OF YOUR TERMINATION FOR CAUSE

appeal should be addressed to the Chief of Naval Personnel, Morale, Welfare and Recreation Division (Pers-65), Bureau of Naval Personnel, BUPERS Detachment, Memphis, 7800 3rd Avenue, Building 457, Naval Support Activity Memphis, Millington, TN 38054-5045 via Commanding Officer, NAS, Anywhere. If you have any questions or need technical guidance on your appeal, please contact the government's representative, Mr. Bason, Personnel Office, at (901) 685-0987.

OLDE SALT

Figure C-5a

BUSINESS BASED ACTIONS

1. Purpose. A BBA is used to adjust resources in response to changes in business revenue, budget, workload, organization, or mission. Covered employees are affected by BBAs only if identified after an objective, fair and equitable ranking against other employees in the same employment category and group of affected positions.

2. Factors to Consider. Careful planning is necessary to lessen adverse effects and avoid administrative and morale problems. It is important to consider whether the cause of the reduction or realignment is temporary or permanent, along with each of the various actions that may be taken. For example, a reduction in hours of work or pay rate may be more appropriate than separation in some cases.

3. Types of BBAs

a. Reduction in Pay Rate. Such actions could result from reorganization, realignment of a workload, elimination of duties from a position, lack of funds, or from a need to be competitive with pay in other organizations.

b. Furlough. A furlough occurs when a regular employee is placed in a nonpay status for business-based reasons for eight calendar days or more (i.e., a temporary layoff for a definite or indefinite period of time). Note: Flexible employees are excluded since they can be placed on or off the schedule as needed. However, as a courtesy, it is recommended that they be given written notification of any planned furlough, along with its effective and duration dates. Figures D-1 and D-2 are example letters to use in furlough situations.

c. Reduction in Employment Category. This occurs when an employee is changed for business related reasons to a lower category of employment (e.g., regular full or part-time to flexible or regular full-time to regular part-time). Figure D-3 provides an example letter to use in this situation.

d. Separation. This action entails removal of an employee from the organization for business related reasons. Figure D-4 provides an example of a separation notice letter.

4. Employee Notification

a. Limitation on Effective Date. BBAs will not be issued with an effective date for separation during the period 15 December through 3 January; nor, will any such notices be issued for delivery to employees during this period.

6					
5		5	Minimum		5
5	Employment	5	Period Requirement		5
5	Category	:	4		
5		5	Separations	5	All other BBA Actions 5
:					
5	Regular Non-Probationary	5	30 days	5	7 days
:					
5	Flexible Employees with	5		5	
5	3 or more years in	5	7 days	5	24 hours
5	the NAFI	5		5	
:					
5	Regular Probationary	5	7 days	5	24 hours
:					
5	Flexible Employees with	5		5	
5	less than 3 years in	5		5	
5	the NAFI, and employees	5	24 hours	5	24 hours
5	with current performance	5		5	
5	rating of less than	5		5	
5	satisfactory	5		5	
9					

d. The program director will normally sign the individual notices of BBA. Such notices are not "notices of proposal" instead, they are the actual notice of a BBA decision.

5. Competing and Noncompeting Employees

a. Competing Employees. Those NAF regular nonprobationary employees and those flexible employees who have been on the rolls of the activity for 3 or more calendar years immediately prior to the announcement of the BBA, and who are assigned to a given competitive level scheduled to be impacted by a BBA, are designated as competing employees. Competing employees are not affected by a BBA until all noncompeting employees in the same competitive levels are first impacted, or unless there are no noncompeting employees in the competitive level.

b. Noncompeting Employees (NCE). Those employees not meeting the foregoing definition. That is, noncompeting employees do not compete with competing employees under BBA procedures. Such employees, however, compete with one another in determining BBA impact before any competing employees in the same competitive level are impacted by the BBA. Noncompeting employees include:

(1) Regular employees still under a probationary period at time of the official announcement of management's plan to conduct a BBA.

(2) Regular employees with a current less than satisfactory performance rating.

(3) Flexible employees with less than 3 continuous years of service in his or her current NAFL on the date of the BBA employees' notification.

(4) All noncompeting employees in any competitive level must be in a separate category below competing employees.

(5) When noncompeting employees are to be impacted by any given BBA, they will be impacted in the following order:

(a) All employees in the competitive level whose latest record of rating is "less than satisfactory" (when such rating has not been upgraded due to a higher performance rating based on improved performance). In such cases, the improved rating would count as the employees most recent annual performance rating, and have such counted in determining assigned performance rating category, i.e., Gold, Silver, or Bronze. Where there is more than one "less than satisfactory" in a given competitive level, management decides

which employee or employees are impacted based upon their comparative evaluation of the employees in this group.

(b) The second group of noncompeting employees to be impacted (only after all "less than satisfactory" employees in the competitive level have been impacted, or in absence of such employees) are regular probationary employees. When there is more than one regular probationary employee in the competitive level, the BBA procedure used will be the same as that for regular nonprobationary employees, except that only one performance rating will be used.

6. The Process for Taking a BBA - An Overview:

a. In deciding who is to be impacted by any BBA, management follows these basic steps:

(1) Determines type of action, e.g., furlough, abolishment of positions, etc.

(2) Determines position(s) involved, by employment category, title, series, grade or pay band level, e.g., Bartender - NA-7405-4, Full time.

(3) Lists separately under final grouping the noncompeting employees meeting the criteria of step (2) above.

(4) Using performance as a basis, places incumbents of those positions listed in (2), above, into his or her earned performance rating category.

(5) Within each performance rating "category," places those with the most seniority at the top and those with lesser time in descending order, i.e., by service computation date (SCD).

(6) Effects the BBA, starting with noncompeting employees. In the absence of noncompeting employees, management takes necessary BBA starting with the individual in the lowest performance rating group with the least amount of creditable service. This process continues until all needed BBAs in that one competitive level have been taken.

7. A Definitive Explanation of the Component Parts of a BBA, i.e., Competitive Area, Competitive Level, Performance Category and Service Computation Dates

a. Competitive Area. This is the total NAFL activity, or that portion of the activity in which management plans to take the BBA, and in which all

competing employees are located or employed. While management may change its decision on competing area determinations, all stated competitive areas must be at least 90 days old (90 days from publication and employee notification of the change) before the new competitive area can be used in a BBA. Figure D-6 provides an example of competitive areas.

b. Competitive Level. A competitive level represents all positions that are in a competitive area that are:

- (1) Of the same series, grade, and title for C&T positions; and
- (2) Assigned to the same pay band, position title and series for pay band positions; and
- (3) In the same employment category, i.e., RFT, RPT or flexible.

The following example depicts three different competitive levels for CT positions:

<u>Title</u>	<u>Series-Grade</u>	<u>Employment Category</u>
Bartender	NA-7405-04	Full-time
Bartender	NA-7405-04	Part-time
Cook	NA-7404-05	Flexible

As such, employees in these positions would never compete with one another during any BBA action.

c. Total Component Parts of a Competitive Level

- (1) Position title.
- (2) Employment category such as RFT, RPT or flexible. These categories are never mixed in one competitive level.
- (3) Series.
- (4) Grade or pay band/level.
- (5) Name of employees incumbering such positions.
- (6) Service computation dates of employees in the competitive level (for competing flexible employees, use date of hire in current NAFI as "SCD" for BBA purposes).

(7) The last two current Performance Ratings of Record of individuals in the competitive level.

d. Performance Category

(1) Performance plays a key role in employee retention, or in deciding who is impacted during BBA actions. It is as important as longevity.

(2) Once management has determined what competitive levels are to be impacted in any BBA, place incumbents of positions in the competitive levels into one of three performance categories based on their last two ratings of record, i.e., Gold, Silver, or Bronze.

(3) Such categories are necessary because of the DOD requirement to use at least two performance ratings during the BBA process. This provides NAFI activities with a more balanced and equitable BBA approach in that it allows for retention of high performers and senior employees whose performance is less than outstanding.

(4) The following simple yet effective approach has been devised in order to meet the two performance rating requirement:

<u>Single Rating</u>	<u>Points</u>
Outstanding	5
Highly Satisfactory	4
Satisfactory	3
Less than Satisfactory	0

(a) Using above ratings and points, and the requirement to use two ratings during the BBA process, the following are possible variations in "adding" any two ratings:

outstanding/plus outstanding equals 10 points
outstanding/plus highly satisfactory equals 9 points
outstanding/plus satisfactory equals 8 points
outstanding/plus less than satisfactory equals 5 points
highly satisfactory/plus highly satisfactory equals 8 points
highly satisfactory/plus satisfactory equals 7 points
highly satisfactory/plus less than satisfactory equals 4 points
satisfactory/plus satisfactory equals 6 points
satisfactory/plus less than satisfactory equals 3 points

(5) Using the above point values, competing employees are placed into one of three performance categories for BBA purposes:

<u>Performance Category</u>	<u>Points</u>
Gold	9 and 10
Silver	7 and 8
Bronze	3 thru 6

Note: If an employee's last performance rating is "less than satisfactory" and performance is still judged as such, that employee is a noncompeting employee irrespective of total score of two ratings. Such employees, therefore, must be impacted before any other employee in his or her competitive level.

(6) In conducting a BBA, each competing employee will be placed in one of three performance rating categories, i.e., gold, silver, or bronze.

e. Because of the key role performance plays in the BBA process, the following is provided because of its importance in understanding the BBA process.

(1) Only annual performance ratings will be used in determining BBA outcomes. While a manager may rerate an employee anytime during the performance rating year for pay adjustment or other purposes, this rating will not be used in place of annual performance ratings for BBA purposes.

(2) While there is no time limit as to use and validity of the second or "secondary" performance rating in an employee's OPF, the most recent rating, i.e., primary rating, cannot be more than 14 months old.

(3) When it is found that the most current annual appraisal is more than 14 months old, two options exist:

(a) Rerate the employee (employee must be provided with a copy of the rating during the discussion of such updated appraisal). The new rating then, becomes the most recent rating of record, i.e., primary rating, and the previously current rating becomes the secondary rating of record. However, the new rating cannot be used for BBA purposes unless 90 days old.

(b) Failure on management's part to rerate the employee would mean that the "more than 14 month old rating" would be considered as the secondary

rating (there is no expiration date on secondary ratings). In the place of the former rating of record, under such circumstances, the employee is provided with a presumptive rating in order to meet the DOD requirement that "at least two performance appraisals" be used during the BBA process.

(4) During preparation for BBA action, if the most recent or primary record of rating in an employee's OPF is outdated, and management fails to rerate the employee, a presumptive rating will be granted the employee by the servicing personnelist. A regular performance appraisal form will be completed and placed in the employee's OPF. However, the rating provided will be identical to the most current rating of record. (This is a presumptive "identical" rating). The personnelist will check the appropriate rating block typing or writing the word "presumptive" beside the checked block, and then place the following in the remarks column of the appraisal form, sign the form, and place a copy in the employee's OPF. The BBA will be conducted based on the former rating and the presumptive rating:

"For purposes of a BBA dated _____ this employee is provided with a presumptive rating of _____ based on his or her most recent, but outdated, annual performance rating dated _____."

c. Service Computation Date (SCD). This is the final piece of data management needs to understand in order to conduct a BBA. Each competing employee is placed in the assigned competitive level. Within that level, place employees according to their earned performance rating category, i.e., each competing employee is placed in one of the following three categories: Gold, Silver or Bronze. Once placed in one of these categories, employees are stratified by their service computation dates so that the employee with the least amount of service is placed lowest in the assigned performance group rating category. In determining what employee is to be impacted by any given BBA action, take competing employees in the lowest performance category. Within that category, the impact is on the employee or employees with the least amount of NAFI creditable service.

8. A BBA Register

Figure D-7 provides an example of what a completely structured BBA register would look.

9. Types of BBAs

a. BBA - Pay Decrease. Once the decision has been made to take such action, management must ensure that:

(1) Employees are informed of the need for the action and plans for taking such action.

(2) The action must apply to all NAF employees in any one or more competitive area. Management may not single out specific NAF employees.

(3) NF and CT employees in the competitive area designated to take the decrease must share in the decrease on a proportionate basis.

(4) Notice period and time frames for taking such actions are the same as those specified for other BBAs.

(5) In grieving such actions, employees may challenge the perceived equity in application of the decrease in pay. Such basis for grievance is over and above those allowed in grieving other BBAs.

(6) In view of the delicate nature of such action, and the equity or "fairness" issue involved in forcing decreases in base pay and related actions from a select group of employees of the total NAFI work force, management should explore all other possible options before using the "Business Based - Pay Decrease" option.

b. Furlough. A furlough is a leave of absence of a regular employee (flexible employees are excluded) for 8 calendar days or more (temporary layoff for a definite or indefinite period of time). However, whenever a furlough of any duration is to take place, impacted flexible employees will be provided with a written notification as to the reason for the furlough, the effective dates and duration.

c. Reduction in Employment Category. Self-explanatory.

d. Separation. Self-Explanatory.

10. Written Notice. As a minimum, written notices of BBA will contain the following:

a. Employee's name, current position title, series, grade/pay band.

b. Notice periods (all calendar days).

(1) Regular employees - 30 days for separation actions, 7 calendar days for nonseparation actions.

(2) Flexible competing employees - 7 days for separation actions - 24 hours for nonseparation actions.

c. Effective date of action.

- d. Nature of BBA (separation, furlough, etc.).
- e. Reason for the BBA.
- f. Statement that the action is non-disciplinary and does not preclude re-employment.
- g. BBA competitive level to which assigned such as bartender, regular part-time.
- h. Performance category and the two ratings and dates of ratings used (A letter "P" next to the date when a presumptive rating has been used).
- i. Statement that BBA register may be reviewed by impacted employees or their representatives.
- j. Advice on impact of action on loss or retention of benefits in keeping with following guidance:
 - (1) Full-time to Part-time. Keep annual and sick leave. Keep medical and life insurance if currently enrolled for at least 1 year. No change in status for 401(K) and retirement participants.
 - (2) Full-time or Part-time to Flexible (20 Hours per Week or More). Pay out annual leave; sick leave stays on books while employed (can't use); and keep medical and life insurance, 401(K) and retirement, if enrolled in plan(s) for at least 1 year.
 - (3) Full-time or Part-time to Flexible (20 Hours per Week or Less). Pay out annual leave; sick leave stays on books while employed (can't use); and loss of medical insurance, life insurance, 401(K) and retirement, may be eligible for COBRA.
- k. An explanation of the employee's right to appeal including how, where, time limits, and the name, address, and phone number of the individual and/or position responsible for answering the appeal at any given level of appeal.
- l. Employee's right to representation.
- m. Severance Pay Entitlement. Employees who are offered continued employment under BBA that leads to reduced base pay and/or loss of or diminished benefit entitlement are allowed to opt for separation instead, and corresponding severance pay, if otherwise entitled to such.
- n. Information on re-employment priority entitlement, i.e., the RPL.

- o. Information on unemployment compensation.
- p. Information on eligibility for Federal service employment through use of the DOD/OPM Interchange Agreement.
- q. Point of contact for additional information.

11. Appeals of BBAs

a. General. Regular non-probationary and flexible employees with at least 3 consecutive years of service in the current NAFI have a right to appeal, but only on procedural grounds, if they believe proper processes and/or required regulations were not complied with when conducting the BBA. This written appeal must be made no later than 7 calendar days after the effective date of the BBA. This is the sole basis for appeal. Management decisions regarding the budget, workload, organization, and mission are reserved to management and are not appealable. If an employee alleges that the action resulted from an act of discrimination, the action may only be contested through the discrimination complaint procedure.

b. The Decision. A decision in favor of an employee entails the requirement that the employee be "made whole." This includes pay and restoration to duty, including employment rights and benefits, as applicable. If, however, it is clear the same action would have been taken against the employee even if the regulatory or procedural error had not been made, then there is no "made whole" provision.

c. Representation. An employee may be accompanied, represented, and advised by a representative of his or her own choosing, provided the person is willing and free to do so. The employee will designate his or her representative in writing and provide the designation to the first stage deciding official. The representative's service must not result in a conflict of interest as determined by the installation commander. All costs for the representative will be borne by the employee.

d. Use of Official Time. The employee and his or her designated representative may use reasonable amounts of official duty time to prepare and present appeals, subject to supervisory determination as to when such time may be used in light of priority needs of the NAFI.

e. BBA Appeals Procedure. The appeals procedures for regular non-probationary employees and flexible employees with 3 or more years of continuous service immediately prior to announcement of the BBA is as follows:

3 Dec 97

(1) First Stage. The employee and his or her representative will, not later than 7 calendar days after the effective date of the BBA, present a written appeal to the individual who signed the BBA action. The appeal request must state the regulation, instruction or other pertinent source not complied with by management in conducting the BBA. Every effort will be made to resolve the matter promptly and fairly at this stage. A written decision will be provided to the employee within 7 calendar days of receipt of the appeal. It will summarize the issue, the consideration given, and advise the employee of the right to seek relief at the next stage within 7 calendar days from the date of receipt of the decision, if he or she is not satisfied.

(2) Second Stage. If the employee is dissatisfied, a written appeal will be submitted to the activity commanding officer via the person who signed the first level of appeal decision within 7 days of receipt of the step 1 decision. Upon receipt of the appeal, the commanding officer may designate a disinterested third party to review the facts and make a recommendation to the deciding official. A written decision will be provided to the employee within 45 calendar days of receipt of the appeal. The decision will summarize the issue, the consideration given, and advise regular employees of: (1) the right to request a review of the written appeal record by a level above the installation commander via the activity commander's office; (2) how and where to file the request; and (3) the time limits for filing. There is no further review or appeal above this level for covered flexible employees.

(3) Third Stage. This stage applies to regular non-probationary employees only, who, if dissatisfied, may appeal to BUPERS (Pers-65) within 7 calendar days after receipt of the step 2 decision. BUPERS (Pers-65) will make a decision at this stage based on the appropriate regulations, policies and written records within 30 calendar days of receipt of the appeal from the activity commanding officer. There is no further review or appeal above this level.

(4) In the event a BBA is taken against an employee who works directly for the commanding officer, the appeal levels will be: (1) the commanding officer; (2) the echelon II command; and, (3) BUPERS (Pers-65).

(5) The employee has no right to a hearing during the BBA appeal process.

f. Record of Appeal. A complete case file of the appeal will be maintained with the BBA file. The file will contain as a minimum:

- (1) Employee appeal.
- (2) All management responses to the appeal.
- (3) Final disposition.
- (4) Any other material deemed relevant.

12. Reemployment Priority Lists

a. Each personnel office servicing a NAFI that separates regular non-probationary employees and flexible employees who have 3 years or more in the NAFI immediately prior to the announcement of the BBA, will establish a Reemployment Priority List (RPL) to provide placement assistance to those separated by BBA. Such separated employees will have priority placement rights in the NAF activity from which separated and priority consideration rights at other DOD NAF activities in the commuting area. They will immediately be placed on the RPL and remain on the RPL until reemployed, but not longer than 1 year from the date of separation or from 1 year from inclusion on the RPL, whichever occurs first.

b. A person on the RPL will be offered employment in a vacant position in the NAF activity from which he or she was separated if:

(1) Management is filling a vacancy by other than detail, promotion, demotion and/or reassignment; and

(2) The position is in the same or lower employment category as the position from which separated; and

(3) The position is in the same or lower grade or pay level as the position from which separated; and

(4) The position has substantially the same duties as the position from which separated.

c. A person on the RPL must also be offered priority consideration for NAF jobs in other DOD NAF activities in the commuting area if:

(1) The NAF activity is filling the vacancy by other than detail, promotion, demotion, or reassignment; and

(2) The vacancy is in the same or lower grade or pay level as the position from which the person on the RPL was separated; and

(3) The vacancy is in the same or lower employment category as the position from which the person on the RPL was separated; and

(4) The vacancy has substantially the same duties as the position from which the person on the RPL was separated.

d. DOD NAF activities will exchange RPLs within the commuting area to effect the above requirements.

e. Registered employees will be given the opportunity to provide an updated SF-171 to be forwarded along with RPLs to DOD NAFI organizations in the commuting area.

f. An individual's name is removed from the RPL when he or she accepts an offer of a position in the same or higher employment category as the position from which separated in any DOD NAF activity.

g. If an offer at the same grade, pay band, and rate of pay is declined, the person will be removed from the RPL. Such declination action must be annotated on the activity's RPL. The next eligible person on the RPL will be offered the position.

h. Rehiring an individual on the RPL is a noncompetitive recruitment action. Therefore, such individuals will be rehired before those who receive preference in competitive recruitment actions, such as spousal preference.

13. Records. A BBA file must be established whenever such action(s) are taken. Such files, which will be maintained for 2 years from the effective date of the action, will contain:

a. The written general notification, if any, to employees announcing the need for the BBA.

b. A copy of the BBA register.

c. A copy of letter or notice sent to each employee.

d. A copy of individual PAR or personnel actions that consummated the BBA.

e. A copy of the grievances w/response(s).

f. Appeal file with required contents.

g. An annotated and updated copy of RPL(s) established as a result of the BBA.

14. Miscellaneous

a. There is no requirement to receive prior approval for a BBA from BUPERS (Pers-65).

b. Neither reversion nor retreat rights are provided for in the BBA process.

BUPERSINST 5300.10
3 Dec 97

FURLOUGH OF LIMITED NUMBER OF EMPLOYEES

6 August 1996

From: Claude Grinder, MWR Director, NAVSTA, San Diego
To: Mr. Bobby Kay, CPO Club

Subj: BUSINESS BASED ACTION - FURLOUGH

1. This letter is written to inform you that you will be placed on a furlough status, i.e., leave without pay, for a period of up to 180 days as of 6 September 1996. This change will be made effective on (xx date). This notification meets the minimum 7-day notice requirement that regular employees must receive before such actions are taken.
2. This action is necessitated by the fact that the majority of the military assigned to this installation have been sent overseas as part of Operation xxxxxxxx. This move has led to a drastic curtailment in CPO Club business, thereby, necessitating a temporary cut-back in our work force.
3. The following information was used in determining your status in this action.

Competitive Area - CPO Club; Competitive Level - NA-7405-04, Bartender Regular Part-time; Performance Rating - Satisfactory, 12 June 1996; Service Computation Date, 3 March 1986.
4. As a regular, non-probationary (or flexible employee with at least 3 consecutive years of service)* employee, you have a right to appeal this action. The appeal can only be based on procedural grounds. Should you desire to appeal this action, your request must be submitted in writing to the undersigned not later than seven calendar days after the effective date of the action. Your appeal must state the regulation, instruction or other pertinent source not complied with by management in conducting the BBA.
5. The retention register that contains the key data on all competing employees in your competitive level is available for your review in our local NAF Civilian Personnel Office. Please contact Ms. Ida Hoe of that office if you would like to review the register, or if you would like to discuss the procedures followed in arriving at this action. Ms. Hoe's phone number is 777-1111.
6. You will be contacted no later than 180 days from the date of receipt of this letter concerning a "report back to work date."

(SIGNED)
MWR Director

* Insert appropriate status - only one, not both.

Figure D-1

BUPERSINST 5300.10
3 Dec 97

FURLOUGH - ALL EMPLOYEES IN THE COMPETITIVE AREA

5 August 1996

From: Tom Jones
To: Bloody Mary, CPO Club

Subj: BUSINESS BASED ACTION - FURLOUGH

1. This notice is written to inform you that you will be placed in a furlough status, i.e., leave without pay, for a period of up to 180 days as of 5 September 1996. This notice meets the 7-day minimum notice requirement that regular employees must receive before such actions are taken
2. This action is necessitated by the fact that the CPO Club is being closed for up to 6 months for major renovation. If the renovations are completed prior to the 6-month time frame, we will notify you and provide you with a return employment date.
3. Normally, we would provide you with information concerning your competitive standing with other competing employees; however, since all CPO Club employees are being furloughed there is no need to provide such data.
4. As a regular, non-probationary (or flexible employee with at least 3 consecutive years of service)* employee, you have a right to appeal this action. The appeal can only be based on procedural grounds. Should you desire to appeal this action, your request must be submitted in writing to the undersigned not later than 7 calendar days after the effective date of the action. Your appeal must state the regulation, instruction, or other pertinent source not complied with by management in conducting the BBA.
5. Questions pertaining to this action should be addressed to Ms. Ida Hoe of our NAF Civilian Personnel Office. Her phone number is 587-1243.
6. You will be contacted no later than 180 days from the date of receipt of this letter concerning a "report back to work date."

TOM JONES
MWR Director

* Insert appropriate status - only one, not both.

BUPERSINST 5300.10
3 Dec 97

SAMPLE LETTER
CHANGE IN EMPLOYMENT CATEGORY

5 August 1996

From: J. B. Jones, MWR Director, NAS, Fallon
To: John Doe, CPO Club

Subj BUSINESS BASED ACTION, CHANGE IN EMPLOYMENT CATEGORY

Encl: (1) Benefit Entitlement Package*

1. This letter is written to notify you that your employment category will be changed from regular full-time to a "flexible" work schedule. This change will be made effective on (xx date), which is beyond the 7-day required minimum notification for such business based actions. Enclosure (1) explains employee benefits during the BBA process.

2. This change in your employment category was necessitated by an acute drop in CPO club business and related budgets.

3. The following information was used in determining you status relative to this action:

Competitive Area - CPO Club; Competitive Level - Bartender-NA-7405-4-Full-Time;
Performance Rating - Satisfactory - 15 Jun 1996; and Service Computation Date - 12 June 1986

4. The retention register, which contains data on all competing employees in your competitive level, is available for your review. Please contact Ms. Jane Jump, 231-1234 if you wish to review the register.

5. Since this action will cause you to lose base pay and benefits, you may elect to resign in lieu of your change in employment category. If you decide to take this option, you will be allowed to receive severance pay, if otherwise eligible. If this is your choice, you must notify Ms. Jump within 7 calendar days of receipt of this letter. Failure to respond to this option within that time frame will lead to the change in employment category with the stated effective date of 26 August 1996. Your new supervisor, Mr. David Darling, will contact you prior to the effective date of your employment category change to provide you with your new work schedule.

6. As a regular, non-probationary (or flexible employee with at least 3 consecutive years of service)** employee, you have a right to appeal this action. The appeal can only be based on procedural grounds. Should you desire to appeal this

BUPERSINST 5300.10
3 Dec 97

Subj BUSINESS BASED ACTION, CHANGE IN EMPLOYMENT CATEGORY

action, your request must be submitted in writing to the undersigned not later than 7 calendar days after the effective date of the action. Your appeal must state the regulation, instruction, or other pertinent source not complied with by management in conducting the BBA.

J. B. JONES
MWR Director

* Previously distributed to NAF activities. Contact BUPERS (Pers-653) if additional copies are required.

** Insert appropriate status - only one, not both.

Figure D-3a

BUPERSINST 5300.10
3 Dec 97

BUSINESS BASED ACTION - SEPARATION

5 August 1996

From: Mr. Claude Hopper, MWR Director, NAS, North Island
To: Ms. Polly Ester, CPO Club

Subj: BUSINESS BASED ACTION - SEPARATION

1. This notice has been written to inform you that you will be separated from employment with the CPO Club at NAS, North Island as of close of business on 5 September 1996. This notice more than meets the minimum 30 calendar day notification that a regular NAF employee must receive before such action can be taken.

2. This action is necessitated by the fact that we have experienced a steady and severe decline in business in the CPO Club necessitating a need to cut back in personnel.

3. The following information was used in determining your status in this action:

Competitive Area, CPO Club; Competitive Level, NF-0318-02, Secretary Regular Full-time; Performance Rating, Satisfactory, 15 August 1995; Service Computation date, 3 February 1986.

4. As a regular, non-probationary (or flexible employee with at least 3 consecutive years of service)* employee, you have a right to appeal this action. The appeal can only be based on procedural grounds. Should you desire to appeal this action, your request must be submitted in writing to the undersigned not later than seven calendar days after the effective date of the action. Your appeal must state the regulation, instruction or other pertinent source not complied with by management in conducting the BBA.

5. The retention register that contains the key data on all competing employees in your competitive level is available for your review in our local NAF Civilian Personnel Office. Please contact Ms. Ida Hoe of that office if you would like to review the register, or if you would like to discuss the procedures followed in arriving at this action. Ms. Hoe's phone number is 784-1324.

CLAUDE HOPPER
MWR Director

* Insert appropriate status - only one, not both.

BUPERSINST 5300.10
3 Dec 97

EXAMPLE NOTICE

1 February 1993

From: Mr. Claude B. Jones, MWR Director, NSA, North Island
To: All employees of the Officers Club

Subject: PROJECTED BUSINESS BASED ACTION

1. This is to notify employees of the Officers Club that management intends to eliminate two full-time Bartender NA-7405-04 positions. This BBA action has been necessitated due to declining revenues.
2. Individual BBA notices required to take the necessary action should be issued within 2 weeks of the date of this notice.
3. Questions pertaining to this matter should be directed to Winnie Winner, your servicing personnel specialist. Her phone number is 729-5327.

CLAUDE B. JONES
MWR Director

EXAMPLE

COMPETITIVE AREA - THE TOTAL MWR ACTIVITY

Mr. Chick A. Dee, MWR Director at NAS Outback, has determined that his total activity will be one competitive area for BBA purposes. One of his three clubs must close down for 6 months. (Let's call the club that is temporarily closing, Club A, and the other two clubs, B and C.) Since the total MWR activity is one competitive area, all employees could be impacted by the BBA; that is, all employees in the activity must compete in determining who is to be furloughed. In such case it is highly likely that some, if not many, of Club A people will not be furloughed. Instead, Club B, and C employees could be "hit." This means that Club "A" employees might be reassigned to Clubs B & C due to B & C Club employees being furloughed because they were "low on the totem pole." Now, had Chick A. Dee made each club a separate competitive area, impact of any and all BBA's in any one club would be restricted to that club (competitive area) only. That is, in Chick A. Dee's case, had he set up his three clubs as three separate competitive areas, he would have merely furloughed employees of Club A without disruption to Clubs B & C.

Summary: Declaring competitive areas is a key management decision. By definition, it limits the impact of business based actions only to those positions and employees in the defined area. While management may change its decisions on competing area determinations, all stated competitive areas must be at least 90 days "old" (that is 90 days from publication and employee notification of the change) before the new competitive area can be used in a BBA.

BUPERSINST 5300.10
3 Dec 97

COMPETITIVE LEVEL

2 Feb 93

Secretary - Full time - NF-0318-02

Performance Category - Gold - (9 & 10 Points)

<u>Name</u>	<u>Date of Performance</u>	<u>SCD</u>
Bobby Socks	1 May 91 & 1 Jun 92	12 Apr 78
Bea True	3 Apr 91 & 30 May 92	1 Mar 88

Performance Category - Silver - (7 & 8 Points)

Rick Shaw	13 Jun 91 & 30 Jun 92	1 Mar 75
Hans Down	19 Jan 91 & 1 Dec 92	1 Apr 80
Curt N. Rod	28 Jan 91 & 1 Dec 92	15 Dec 82

Performance Category - Bronze - (3 - 6 Points)

Ida Hoe	17 Jun 91 & 1 Jul 92	28 Oct 76
Terry Yaki	1 May 91 & 1 Jul 92(P)	15 Mar 82

Non-Competing Employees

None

In using the above BBA register, eliminate or take BBAs from the bottom up. As can be seen, names are placed in the competitive level group earned/performance category and placed within each category in order of SCD with the person with most credit at the top of his/her assigned group. Where no employees are found in an assigned group, the word "none" would be annotated under that group. Also note that the date of the two ratings are provided. Where a presumptive rating has been given, the letter "P" must be shown. (See Terry Yaki under Bronze category, above.)

Figure D-7

ADMINISTRATIVE GRIEVANCE PROCESS

1. Grievance Procedure

a. In pursuing a grievance, an employee must initiate such action within 7 days of the incident that is being grieved. Grievances filed beyond this time frame are considered as untimely and may be rejected by management. Normally, a grievance is first directed to the program director for resolution; and, when this fails to provide the sought remedy, the employee is afforded the opportunity to grieve to the activity's commanding officer. In instances where the program director has already decided the action being grieved, e.g., BBAs and suspensions of 30 days or less, the employee will file his or her grievance to the activity's commanding officer via the program director. Barring the preceding exception, employees will pursue grievances through the following steps:

(1) Step 1. Since management of the NAFI organization must be given an opportunity to resolve an employee's grievance before that same grievance is presented to the activity's commanding officer for final resolution, all grievances must first be presented directly to the activity's program director. Such presentation may be made orally or in writing. In all cases, however, management's response, which must be provided within 7 days of receipt of the grievance, will be in writing irrespective of how the grievance was presented, i.e., orally or in writing. The program director's response will address all issues being grieved. It will also provide direction and time frames to the employee on presenting the grievance to the commanding officer in the event the program director's decision did not resolve the grievance to the satisfaction of the employee. Figure E-1 provides a sample letter from a program director.

(2) Step 2. Within 7 days of receiving the decision from the program director, or in the event such response was not received within that time-frame, the employee may continue the attempt to resolve the grievance by filing a written grievance to the activity's commanding officer via the program director.

b. Written grievances, be they presented at Step 1 or Step 2, must contain:

- (1) A detailed and clear description of the grievance.
- (2) Previous attempts or steps taken to resolve the issue.
- (3) The relief sought for the employee.

c. If Step 2 is used by the grievant, the program director will provide the commanding officer with all information on hand concerning the grievance. The commanding officer may use any means to gather relevant information in order to arrive at the facts of the case, e.g., appointment of a fact finder, or a review of the case as presented. Based on his or her review of the issue, the commanding officer issues a written response of findings and decision to the employee. The commanding officer's decision is the final Navy decision. Commanding officers should provide the grievant with a written decision within 30 days of receipt of the grievance. Figure E-2 is a sample response from the commanding officer.

2. Formal Hearing Right. Employees do not have a right to a formal hearing under this process, (i.e., a hearing presided over by a hearing officer during which witnesses/affidavits may be used and a comprehensive transcript of proceedings recorded).

3. Filing Grievances under Special Circumstances. In situations where employees who work directly for or report to the commanding officer have the need to file a grievance, or when the commanding officer has already made a decision on the issue being grieved, such grievances will first be presented to the commanding officer as in Step 1 above. If the issue is not resolved at that level, the employee may file the grievance to BUPERS (Pers-653), following proceedings outlined in Step 2, above.

4. Standard of Proof. The standard of proof in deciding grievances will be "substantial evidence" which is defined as such relevant evidence as a reasonable mind might accept as adequate to support a given conclusion.

5. Publication Requirements. Management must provide wide dissemination of this policy. As a minimum, a copy of the administrative grievance procedure will be placed on all activity bulletin boards.

BUPERSINST 5300.10
3 Dec 97

MWR DIRECTOR'S RESPONSE TO EMPLOYEE'S GRIEVANCE

From: Bud Weisser, MWR Director, NAS, New Orleans
To: Ms. Bo Peep, Personnel Department

Subj: RESPONSE TO GRIEVANCE

Ref: (a) Your written grievance of (date)

1. This letter is written in response to reference (a) in which you addressed your grievance concerning the lack of adequate heating in your work area, and requested that I take steps to provide a more habitable work environment.

2. I recently visited your work area and found that, it is, indeed, a cold place to work in that a door opens directly into your work area allowing wind and cold to enter directly into the building. I have been told by the Public Works Department that the situation can be remedied by the placement of a storm door; unfortunately, however, the state of the MWR department's budget is such that I cannot afford such corrective action. Instead, I will provide "spot" office heaters, and plan to have such in place within a 2 week period.

3. If you feel that I have not properly resolved your grievance, you may grieve my decision to the commanding officer, via my office, no later than 7 calendar days from the date of receipt of this letter. Your grievance must be in writing and contain a clear description of your grievance along with a summary of previous attempts to resolve your grievance, and the specific relief you are seeking.

BUD WEISSER
MWR Director

BUPERSINST 5300.10
3 Dec 97

RESPONSE FROM COMMANDING OFFICER TO GRIEVANCE OF
MWR DIRECTOR'S DECISION

From: Commanding Officer, NAS, Somewhere
To: Ms. Bo Peep, Personnel Department

Subj: RESPONSE TO GRIEVANCE

Ref: (a) Your Written Grievance of (date)

1. In reference (a), you pursued your grievance that you feel was unsuccessfully resolved by this activity's MWR Director.

2. I have had your complaint investigated which included a visit by an assigned investigator to your work area. As a result of such investigation, I found that your grievance is more than reasonable and represents an issue that will be resolved. I have directed immediate action for the placement of a storm door in your work area. Until the storm door is put in place, employees assigned to your current work area will be temporarily moved to other, more habitable, work sites.

3. My decision on this matter represents the Navy's final decision on your grievance.

JOHN DOE
Commanding Officer

DOD EMPLOYEE BENEFIT PORTABILITY PROGRAM

WHEN AN EMPLOYEE MOVES BETWEEN NONAPPROPRIATED FUND AND CIVIL SERVICE
EMPLOYMENT SYSTEMS WITHIN DOD

1. Applicability. This appendix is applicable to NAF and civil service personnel.

2. Coverage and Effective Date. The DOD Employee Benefit Portability Program applies to DOD civilian employees who move between NAF and civil service employment systems within DOD without a break in service of more than 3 calendar days (except as regards retirement portability which allows a break in service not to exceed 1 year). The program applies regardless of whether the move is "involuntary" (employee is moved with position from one system to the other) or "voluntary" (employee initiates the move by applying for and receiving employment in the other system). However, many provisions are applied differently depending on whether the move is involuntary or voluntary. The program is effective retroactively to 1 January 1987. DOD employees (not individuals no longer in an employee status) who have moved on or after that date will have their benefits adjusted as though the program were in existence on the date of their move.

3. Appointments

a. Involuntary Move. A NAF employee may be eligible for conversion to career or career-conditional employment if the employee was serving in a NAF position on the date that the position was brought into the competitive service and the agency determines that this is a "continuing" position. Personnel actions will be processed in accordance with appropriate GS rules. A civil service employee whose position is abolished and reestablished as a NAF position will be afforded reduction-in-force rights in accordance with the Code of Federal Regulations. Those employees who move with their job to NAF status will be appointed without competition for the NAF job.

b. Voluntary Move. Regardless of the direction of the move, the normal appointment procedures of the gaining employment system apply.

4. Pay Provisions for Moves from NAF to Civil Service Positions

a. General Applicability

Rate of Basic Pay. The "Portability of Benefits for NAF Employees Act of 1990" amended Section 5334 of Title 5, USC, to include pay setting provisions for NAF employees moving to General Schedule positions. The pay provisions of P.L. 92-392, as regulated by OPM, continue to apply to Civil Service Wage Grade positions. Sections 4b(1), 4b(2) and 4b(3) below describe

how to set pay for employees, based upon the category of position the employee left, and the category of position to which the employee moves.

b. Setting Basic Pay Upon Movement from any NAF Position to a General Schedule Position

(1) Involuntary Move

(a) Pay will be set at a rate within the grade to which moved that is not less than the employee's rate of basic pay under the NAF system immediately prior to the move. In determining the last rate of basic pay, a saved pay rate to which the employee was entitled under the NAF system will apply, as well as pay received in a NAF special rate position. Additions to pay such as night shift, environmental differential, and other premium payments are excluded from consideration as basic pay. Basic pay may not be set above the maximum of the grade to which moved, except as provided in (b) below.

(b) Grade and pay retention benefits apply where the involuntary move resulted in a reduction in grade or pay. Grade and pay retention benefits will be administered in accordance with appropriate GS regulations.

(c) Prior to moving an employee from NAF Pay band, Level 5, to a General Schedule position, the NAF activity will determine if an adjustment in NAF pay is necessary. Adjustments in NAF pay will be effected, where necessary, to ensure that the maximum rate of pay retained in the move will not exceed the rate of pay for a GS-15, step 10 for the position and geographical area to which moved.

(2) Voluntary Move. Basic pay may be fixed at either:

(a) The minimum rate of the appropriate grade.

(b) At any step of that grade which does not exceed the employee's highest previous rate of NAF basic pay. Determination of highest previous rate will be in accordance with the appropriate GS regulations.

c. Setting Basic Pay upon Movement from a NA, NL, or NS NAF Crafts and Trades Position to a Civil Service Wage Schedule Position

(1) Involuntary Move

(a) Subject to applicable promotion regulations, pay may be set at either the employee's existing scheduled rate of pay, or any rate which does not exceed his or her highest previous rate of pay. If the highest previous rate falls between two rates of the new grade, the higher rate may be paid.

The highest previous rate of pay will be computed in accordance with appropriate GS regulations.

(b) Grade and pay retention benefits apply where the involuntary move resulted in a reduction in grade or pay. Grade and pay retention benefits will be administered in accordance with appropriate GS regulations.

(2) Voluntary Moves. Subject to applicable promotion regulations, basic pay may be set at either:

(a) The minimum step rate of grade.

(b) At any rate of the new grade which does not exceed the employee's highest previous rate of pay. If the employee's highest previous rate falls between two rates of his or her grade, the higher rate may be paid. The highest previous rate of pay will be computed in accordance with applicable GS regulations.

d. Setting Basic Pay Upon Movement from a Universal Annual (UA), Administrative Support (AS), Patron Service (PS), or Pay band NAF Position to a Civil Service Wage Schedule Position

(1) Involuntary Move

(a) Basic pay will be set at the minimum rate of the appropriate grade, except as provided by exceptions for recognition of special qualifications and hard-to-fill occupations.

(b) Grade and pay retention benefits apply where the involuntary move resulted in a reduction in grade or pay.

(2) Voluntary Move. Basic pay will be set in accordance with GS regulations for new appointments. Under these provisions, pay is set at the minimum rate of the appropriate grade, except as provided by exceptions for recognition of special qualifications and hard-to-fill occupations.

5. Pay Provisions for Moves from Civil Service to NAF Positions

a. General Applicability

(1) Rate of Basic Pay. The DOD NAF US, AS, PS, and pay band pay setting provisions below have been adjusted to parallel the pay setting provisions provided by the "Portability of Benefits for Nonappropriated Fund Employees Act of 1990" for movements to the General Schedule. NAF (C&T) positions are covered by the pay provisions of P.L. 92-392, as regulated by OPM. Sections b. and c. below describe how to set pay for employees based

upon the category of position the employee left and the category of position to which the employee moves.

(2) Grade and Pay Retention. There are no NAF provisions for grade retention for NF, AS, PS, or pay band employees. A civil service employee involuntarily moved to a NF, AS, PS or pay band employee shall be eligible for pay retention. Employees moving from any position in the civil service to a NAF Crafts and Trades position are covered by the grade and pay retention provisions in Sub-chapter VI of chapter 53 of Title 5, USC, and implementing regulations.

6. Crediting of Service in Waiting Periods for Within-grade Step Increases (Involuntary and Voluntary Moves)

a. NAF to Civil Service General Schedule Moves

(1) NAF service will be credited toward the period of service required for step increases in the General Schedule.

(2) OPM regulations will apply in determining whether an employee previously in a NAF pay band position has received an equivalent increase for within-grade increase determinations.

b. NAF to Civil Service Wage Schedule Moves

(1) NAF NA, NL, and NS service will be credited toward the period of service required for step increases.

(2) NAF service in UA, AS, PS, or pay band positions are not creditable.

c. Civil Service to NAF Moves. Civil service employment will be credited in the same manner as NAF service.

7. Crediting of Service Toward Time-in-Grade Requirements for Promotion (Involuntary and Voluntary Moves)

a. NAF to Civil Service Moves. NAF service will be credited in the General Schedule in accordance with appropriate GS regulations.

b. Civil Service to NAF Moves. Civil service employment will be credited in the same manner as is NAF service.

8. Crediting of Time-in-Service in Computing Severance Pay (Involuntary and Voluntary Moves)

a. NAF to Civil Service Move. The authority to credit NAF service when computing civil service severance pay is authorized.

b. Civil Service to NAF Move. Civil service employment may be credited in the computation of NAF severance pay.

9. Retirement

a. General Applicability. All retirement portability provisions are applied exactly the same regardless of whether the move is involuntary or voluntary. Also, except for the areas of employer and employee contributions addressed below, all provisions are applied exactly the same regardless of the direction of the move, NAF to Civil Service or Civil Service to NAF.

b. Employee Election of Retirement Plan

(1) General. If the employee is vested (for FERS and CSRS, 5 years of creditable service is considered vested) in the plan of the losing employment system at the time of the move, the employee may elect to retain active membership in that plan. Or the employee may enter the plan of the gaining employment system without transfer of losing plan service credit. Once an employee is given an opportunity to retain membership in either FERS or CSRS, he or she will never again be given an opportunity to retain membership in that same plan. Once an employee is given an opportunity to retain coverage in a NAF plan, he or she will never again be given an opportunity to retain membership in any NAF plan.

(a) Election to Retain Coverage in Plan of Losing Employment System. An employee's decision to retain active membership in the plan of the losing employment system is irrevocable. Therefore, regardless of future moves between NAF and civil service employment, in or out of DOD, breaks in service, and retirement status, the employee's retirement coverage would remain with the plan in which the employee elected to retain membership.

(b) Employee does not Elect to Retain Coverage in Plan of Losing Employment System. In this case, the employee may enter the plan of the gaining employment system without transfer of losing plan service credit. Therefore, the Service Computation Date (SCD) used by the gaining employment system for retirement purposes is the date the employee enters the plan of the gaining employment system (unless the employee already has service credit in that plan). For example, if a NAF employee moves to civil service status and enters FERS, the employee will receive no service credit in FERS for time spent in the NAF plan. Time spent in the NAF plan will not count for FERS

annuity computation or retirement eligibility. The employee may not "purchase" such service credit by paying money into the FERS plan to cover the NAF service.

(c) Standard Election Form. OPM has issued three standard election forms; one covering CSRS to NAF, one covering FERS to NAF; and one covering NAF to either CSRS or FERS. These forms will be provided to NAFIs by BUPERS (Pers-653). The pertinent form is to be completed and placed in the OPF when an employee elects to retain membership in a NAF retirement plan. Personnel offices will use the appropriate election form and explain its purpose to the employee. The gaining employment system personnel office must fill in Part 1 of the appropriate election form. This requires assistance and cooperation from the losing employment system which must provide timely information. In accordance with OPM requirements, the following procedures for completing and filing employee election forms will be followed:

1. The personnel office completes Part 1 of the form and makes a copy of the form.

2. The personnel office gives both copies of the form to the employee and has the employee immediately read and sign Part 2 of one copy of the form. The personnel office collects and retains the copy of the form that the employee signed (both Parts 1 and 2 completed). The employee keeps the other copy with only Part 1 completed.

3. The personnel office files the signed copy on the left side of the OPF (or in some other temporary file) until the employee makes an election, or the time limit for making an election expires.

4. When the employee makes an election by signing the box in Part 3 of the form and returns it to the personnel office, the personnel office marks the date of receipt on the form and makes a copy of the form (with Parts 1 and 3 completed). The personnel office gives the employee the copy of the form that does not have the original signature in Part 3, files the form with the original signature in Part 3 on the right side of the OPF, and destroys the copy of the form with Part 2 completed.

5. If the time limit expires without the employee returning election form with Part 3 completed, the personnel office takes the form with Part 2 completed, makes a notation that the employee did not file a form with Part 3 completed, and files the form on the right side of the OPF.

(d) Time Limit for Making Election. The time limit for making the election is 30 days after the effective date of the move. The employee must return the standard election form to the personnel office by the appropriate

deadline, or the employee has in effect elected to enter the plan of the gaining employment system without transfer of losing plan service credit.

(e) Waiver of Time Limit for Making Election. BUPERS (Pers-653) is authorized to grant an exception to the deadline for employees who exercise due diligence, but are prevented by circumstances beyond their control from making a timely election. There is no appeal to the OSD level. In accordance with OPM retirement regulations, the agency decision to grant or to deny a waiver of time limit is final and not appealable to OPM, and the procedures for waiving the time limit must not allow review under any employee grievance procedures, including those established by Chapter 71 of Title 5, USC, and part 771 of Title 5, CFR.

(f) Effective Date of Election. The election will be retroactive to the date of the move.

c. Employee Contribution to Plan when the Employee Elects to Retain Membership in the Plan of the Losing Employment System. The employee contribution to the defined benefits plan will be determined in the same manner as it is determined for the other employees in the plan. The gaining employer will remit the employee's contribution to the plan, including FERS Thrift Savings Plan contributions, where applicable.

d. Employer Contribution to Plan When its Employee has Retained Membership in the Plan of the Losing Employment System

(1) NAF Employer Contribution to Defined Benefit Part of FERS. The contribution will be the "normal cost percentage" of basic pay determined by OPM under Title 5, USC, 8423. Also, social security payments are made for employees in FERS.

(2) NAF Employer Contribution to FERS Thrift Savings Plan. The contribution will be a minimum of 1 percent of basic pay regardless of whether the employee contributes; and additionally, if the employee does contribute, the employer will match the employee's contribution dollar for dollar for the first 3 percent of pay contributed and \$.50 on the dollar for the next 2 percent of pay contributed. (Note: While a CSRS participant may contribute up to 5 percent of basic pay to the FERS Thrift Savings Plan, no employer matching contribution is permitted.)

(3) NAF Employer Contribution to CSRS. The employer contribution for the NAF employee in the CSRS will be calculated in exactly the same way as the agency contribution for a civil service employee in CSRS. Also, social security payments are not made for employees in CSRS, but are made for employees in CSRS Offset.

(4) Civil Service Employer Contribution to the Respective NAF Retirement Plan. The actual contribution for the civil service employee in the NAF plan will be calculated in exactly the same way as the actual contribution for a NAF employee in the NAF plan.

10. Annual, Sick and Home Leave

a. General Applicability. All provisions are applied exactly the same regardless of whether the move is involuntary or voluntary, and regardless of the direction of the move, NAF to civil service or civil service to NAF.

b. Transfer of Leave Balance. All leave will transfer without a limit. The employee will be credited with the full amount of leave, even in those cases where the employee may receive a higher rate of pay from the gaining employment system. The employee may not "cash-in" any portion of the leave balance and be paid for accumulated hours. Leave will be administered in accordance with the rules of the gaining system.

c. Transfer of Funds. There will be no transfer of funds.

d. Annual Leave Accrual Rate. Service in the losing employment system will be credited in determining the appropriate leave accrual rate.

11. Health and Life Insurance

a. NAF to Civil Service (Involuntary and Voluntary Moves)

(1) Employee Coverage. Employees may not elect to remain in NAF health or life insurance plans. Employees may enroll in the Federal Employees Health Benefits (FEHB) program and/or the Federal Employees Group Life Insurance (FGLI) Program in accordance with appropriate GS regulations. The employee's NAF health benefits coverage will be extended without charge to the employee for 31 days or until the employee becomes covered by FEHB, whichever comes first.

(2) Retiree Coverage. Participation in the FEHB after retirement does not depend on retirement from FERS or CSRS if the employee retires from a NAF plan because the portability law includes the NAF retirement plans as "qualifying plans."

b. Civil Service to NAF Move

(1) Employee Coverage

(a) Involuntary Move. Employees may not elect to retain membership in the FEHB or FEGLI Programs. Employees who are participating in the FEHB Program and/or the FEGLI Program at the time of the move would automatically qualify for participation (including family coverage) in the respective NAF health and/or life insurance program regardless of preexisting medical conditions and the NAF employment category to which the employee has been involuntarily moved. Normal NAF coverage rules would apply if they were not participating in the FEHB Program and/or the FEGLI Program at the time of the move.

(b) Voluntary Move. Employees may not elect to retain membership in the FEHB Program and/or the FEGLI Program. Normal NAF coverage rules would apply. If normal rules are applied, then employees should be advised before actual employment whether or not they will be eligible for health and life insurance benefits. This is important since it is likely that many employees will have the misconception that if they have civil service benefits, then, under the idea of portability, they can voluntarily move to NAF and automatically qualify for NAF benefits coverage.

(2) Retiree Coverage

(a) Involuntary Move. If the employee qualified for health and/or life insurance coverage under 11.b.(1)(a) above, then the employee, regardless of whether retirement is from a civil service or NAF plan, would qualify for NAF health and/or life insurance coverage in retirement if he or she meets the following two conditions: First, the employee must retire under an immediate annuity. Second, the employee must have been continuously enrolled under the NAF group insurance plan since the employee's first opportunity to enroll, or any other normal qualifying dates under the NAF plan, whichever is the shortest period. These are the only conditions that will be applied.

(b) Voluntary Move. If the employee qualified for health and/or life insurance coverage under 11.b.(1)(b) above, then the employee would qualify for NAF health and/or life insurance coverage after retirement in accordance with the normal rules of the NAF employer with the following exception: Continuous time spent in the FEHB Program and/or the FEGLI Program immediately before the move would be credited toward satisfying the respective NAF qualifying periods.

12. Reduction-in-Force (Involuntary and Voluntary Moves)

a. NAF to Civil Service Move. NAF employment will be credited in addition to civil service employment in determining civil service retention registers. Regarding the use of performance ratings in determining retention rights, the following guidance from OPM applies:

"Under paragraph 5 CFR 430.204(k) of OPM's performance management regulations, NAF employees who are converted to appropriated fund positions . . . are entitled to RIF credit for their NAF performance ratings for the purpose of determining their retention rights."

b. Civil Service to NAF Move. Civil service employment will be credited in addition to NAF employment in determining retention where NAF employment is credited for these purposes under normal NAF rules. Where performance appraisals are used in the Component's NAF RIF system, civil service employees who are converted to NAF positions are entitled to RIF credits for their civil service performance ratings.

13. Probation Status (Involuntary and Voluntary Moves)

a. In the following provisions, reference is made to the term "same agency" and "same line of work." The same agency is considered to be the same military agency. Positions are considered to be in the same line of work when the duties performed are similar in nature and character and require substantially the same or similar qualifications.

(1) NAF to Civil Service Moves. All NAF service immediately preceding the move in the same agency, and same line of work as the position to which the move is made, will be credited in determining probation status.

(2) Civil Service to NAF Move. Where the Head of the Component has established a probation system, all APF service in the same agency, and same line of work immediately preceding the move, will be credited in determining probation status.

14. Tenure

a. NAF to Civil Service

(1) Involuntary Move. All continuous nontemporary NAF service immediately preceding the move will be credited in determining career tenure.

(2) Voluntary Move. No credit for NAF service will be granted.

b. Civil Service to NAF Move

(1) Involuntary Move. Where the Head of the Component has established a qualifying period for "Regular" status, all continuous nontemporary APF service immediately preceding the move will be credited to satisfy the qualifying period requirement.

BUPERSINST 5300.10
3 Dec 97

(2) Voluntary Move. Credit for civil service employment is not required.

3 Dec 97

DISPOSITION SCHEDULE OF RECORDS
PERSONNEL RECORDS

ITEM # DESCRIPTION OF RECORDS AUTHORIZED DISPOSITION

1. NAF Official Personnel Folders. "Permanent" employee records. (See Item 8 for disposal of "temporary" records.)

a. NAFI employees transferred to another Nonappropriated Fund Instrumentality.

When an employee is transferred, his/her folder will be sent directly to the gaining activity.

b. Separated NAF employees:
Folders of all U.S. citizens wherever employed, and of all non U. S. citizens within the United States and its possessions, except for those employed less than 1 year and except for active duty U.S. Military personnel who work part-time as NAFI employees for 1 year or more.

Transfer folder to National Personnel Records Center, St. Louis, MO, 1 year after separation. NPRC will destroy 75 years after birth date of employee or 60 years after the date of the earliest document in the folder if the date of birth cannot be ascertained provided the employee has been separated for at least five years. If reemployed during authorized retention period, forward folder to gaining personnel activity upon request.

Folders of temporary employees and flexible employees employed less than 1 year.

Destroy 1 year after termination of employment.

Folders of active duty U. S. military personnel who work part-time as NAFI employees for 1 year or more.

Destroy 3 years after termination of employment.

Appendix G

BUPERSINST 5300.10
3 Dec 97

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
2.	<u>Service Record Cards.</u>	Destroy 3 years after termination of employment.
3.	<u>Personnel Correspondence and Subject Files.</u>	
	a. Files relating to the general administration and operation of personnel functions and including college programs, selective placement programs, examinations, paid recruitment advertising, executive development programs, merit promotion, employee safety program, and others not specifically described elsewhere in this schedule, excluding those at agency staff planning levels.	Destroy when 3 years old
	b. Correspondence, reports, memoranda, and other records relating to employment programs and functions, and manpower management and evaluation, including experts and consultants, overseas employment, reemployment rights, and employee transfer and detail.	Destroy when 5 years old.
4.	<u>Offers of Employment Files.</u> Correspondence, letters, and faxes offering appointments to potential employees.	
	a. Accepted offers.	File in OPF.

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	b. Declined offers.	File with Employment Application. (See item 12)
5.	<u>Employee Record Cards</u> . Employee record cards used for informational purposes outside personnel offices.	Unless separated by RIF or removal action, destroy on separation or transfer of employee. If separated by RIF or a removal action with pending appeal, transfer card to Grievance, Disciplinary, and Adverse Action Files (item 23).
6.	<u>Position Classification Files</u> . a. <u>Position Classification Standards Files</u> . <u>Standards</u> . Standards determining title, series HQ HROs and grade based on duties, Responsibilities and qualifications requirements. <u>Standards Development</u> . Memoranda, correspondence and other records relating to the development of standards for classification of positions peculiar to the agency. (1) Case file. (2) Review file.	Destroy 5 years after cancellation, revision or supersession. HQ. HRO's: Destroy 5 years after cancellation, revision, or supersession. HQ HRO's: Destroy 5 years after cancellation, revision, or supersession.

BUPERSINST 5300.10
3 Dec 97

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	b. <u>Position Descriptions</u> . Files describing established positions including information on title, series, grade, duties and responsibilities.	
	(1) Record copy.	Destroy 6 years after position is abolished or description superseded.
	(2) All other copies.	Destroy when position is abolished or description superseded.
	c. <u>Survey Files</u> .	
	Classification Survey Reports. Survey reports on various positions prepared by classification specialists, including any periodic reports.	
	(1) Office of origin.	If not used as a request for personnel action, destroy when 3 years old, superseded, or upon inactivation.
	(2) Inspection, Audit, and Survey Files. Correspondence, memoranda, reports, and records relating to inspections, surveys, desk audits and evaluations.	If not used as a request for personnel action, destroy when 3 years old, superseded, or upon other revision.
	d. <u>Appeals Files</u> . Case files relating to classification appeals.	Destroy 5 years after final decision or 5 years after any action following decision, whichever is later.

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
7.	<u>Interview Records</u> . Correspondence, reports and other records relating to interviews with employees.	Destroy 6 months after transfer or separation of employee.
8.	<u>Temporary Individual Employee Records</u> . Documents leading to a formal action but not constituting a record of the action or making a substantial contribution to the employee's records. For example, letters of reference, debt correspondence, etc.	Destroy upon separation or transfer of employee or when 1 year old, whichever is sooner.
9.	<u>Employee awards records</u> .	
	a. General awards records	
	(1) Case files including recommendations, approved nominations, memoranda, correspondence, reports and related handbooks pertaining to cash and non-cash awards such as cash awards, pay increases, suggestions, and outstanding performance.	Destroy 2 years after close of year in which final action is taken.
	(2) Correspondence or memoranda pertaining to awards from other government agencies or private organizations.	Destroy when 2 years old.

BUPERSINST 5300.10
3 Dec 97

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	b. <u>Length of Service Awards Files</u> . Records including correspondence, memoranda, reports, computations of service, and list of awardees.	Destroy when 1 year old.
	c. <u>Letters of Commendation and Appreciation</u> . Copies of letters recognizing length of service and retirement and letters of appreciation and commendation for performance, EXCLUDING copies filed in the OPF.	Destroy when 2 years old.
	d. <u>List or Index to Agency Award Nominations</u> . List of nominees and winners and index of nominations.	Destroy when superseded or obsolete.
10.	<u>Incentive Awards Program-Reports</u> . Reports pertaining to the operations of the incentive awards program.	Destroy when 3 years old.
11.	<u>Notification of Personnel Action</u> . Forms documenting employment, promotions, transfer (in or out), separation, and all other individual personnel actions, exclusive of those in NAFI OPFs.	
	a. Chronological file copies, including fact sheets, maintained in personnel offices.	Destroy when 2 years old.

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	b. All other copies maintained in personnel offices.	Destroy when 1 year old.
12.	<u>Employment Applications</u> . Applications and related records, EXCLUDING applications resulting in appointment which are filed in the NAFI OPF (See Item 1).	Destroy when 2 years old.
13.	<u>Personnel Operations Statistical Reports</u> . Statistical reports in the operating personnel office and subordinate units relating to personnel.	Destroy when 2 years old.
14.	<u>Correspondence and Forms Files</u> . Operating personnel office records relating to individual employees not maintained in NAFI OPFs and not provided for elsewhere in this schedule.	
	a. Correspondence and forms relating to pending personnel actions.	Destroy when action is completed.
	b. Retention Registers.	
	(1) Registers from which reduction-in-force actions have been taken.	Destroy when 2 years old.
	(2) Registers from which no reduction-in-force actions have been taken.	Destroy when superseded or obsolete.
	c. All other correspondence and forms.	Destroy when 6 months old.

BUPERSINST 5300.10
3 Dec 97

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	d. Wage Administration records that constitute the basis for personnel actions that may require reconstruction at a later date.	Destroy upon termination of wage system life.
15.	<u>Duplicate Documentation and Personnel Files Maintained Outside Personnel Offices.</u>	
	a. <u>Supervisor's Personnel Files.</u> Correspondence, memoranda, forms and other records relating to positions, authorizations, or obsolete documents or pending actions; copies of position descriptions; requests for personnel action, and records on individual employees duplicated in or not appropriate for the NAFI OPF.	Review annually and destroy when superseded or destroy all documents relating to an individual employee 1 year after separation or transfer.
	b. <u>Duplicate Documentation.</u> Other copies of documents duplicated in NAFI OPFs not provided for elsewhere in this schedule.	Destroy when 6 months old.
16.	<u>Performance Appraisal Records.</u>	
	a. Annual Performance Ratings.	Destroy when 2 years old.
	b. General or case files of forms, memoranda, and correspondence.	Destroy when 3 years old.

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	c. Appeals Files. Memoranda, correspondence and other records relating to employee appeals of performance rating.	Destroy 3 years after final settlement of case.
17.	<u>Conflict of Interest Case File</u> . Statements of employment and financial interests and related records.	Destroy 3 years after separation of employee or 5 years after employee leaves the position for which the statement is required.
18.	<u>Equal Employment Opportunity Records</u> .	
	a. <u>Official Discrimination Complaint Case Files</u> . Complaints with related correspondence, reports, exhibits, withdrawal notices, copies of decisions, records of hearings and meetings, and other records as described by 5 CFR 713.222.	Destroy 4 years after resolution of case.
	b. <u>Copies of Complaints Case Files</u> . Duplicate case files or documents pertaining to case files retained in Official File Discrimination Complaint Case File.	Destroy 1 year after final resolution of case.
	c. <u>Background Files</u> . Background records not filed in the Official Discrimination Complaint Case Files.	Destroy 2 years after final resolution of case.
	d. <u>Compliance Records</u> .	Destroy when 7 years old.
	(1) Compliance Review Files. Reviews,	

BUPERSINST 5300.10
3 Dec 97

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	background papers and correspondence relating to contractor employment practices.	
	(2) EEO Compliance Reports.	Destroy when 3 years old.
	e. <u>Employee Housing Requests</u> . Forms requesting agency assistance in housing matters, such as rental or purchase.	Destroy when 1 year old.
	f. <u>Employment Statistics Files</u> . Employment statistics relating to race and sex.	Destroy when 5 years old.
	g. <u>EEO General Files</u> . General correspondence and copies of regulations with related records pertaining to the Civil Rights Act of 1964, the EEO Act of 1972, and any pertinent future legislation; and agency EEO Committee meeting records including minutes and reports.	Destroy when 3 years old, or when superseded or obsolete, whichever is applicable.
	h. <u>EEO Affirmative Action Plans (AAP)</u> .	
	(1) Agency copy of consolidated AAP(s).	Destroy 5 years from date of plan.
	(2) Agency feeder plan to consolidated AAP(s)	Destroy 5 years from date of feeder plan or when administrative purposes have been served.

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
19.	<u>Personnel Counseling Records</u>	
	a. <u>Counseling files</u> . Reports of interviews, analyses and related records.	Destroy 3 years after termination of counseling.
	b. <u>Alcohol and Drug Abuse Program</u> . Records created in planning, coordinating and directing an alcohol and drug abuse program.	Destroy when 3 years old.
20.	<u>Standards of Conduct Files</u> . Correspondence, memoranda and other records relating to code of ethics and standards of conduct.	Destroy when obsolete or superseded.
21.	<u>Labor Management Relations Records</u> .	
	a. <u>Labor Management Relations-General and Case Files</u> . Correspondence, memoranda, reports and other records relating to the relationship between management and employee unions or other groups:	
	(1) Office negotiating agreement.	Destroy in CFA when superseded, obsolete, or no longer needed for reference.
	(2) Other offices.	Destroy when superseded or obsolete.
	b. <u>Labor Arbitration-General and Case Files</u> . Correspondence, forms and background papers relating to labor arbitration cases.	Destroy 5 years after final resolution of case.

BUPERSINST 5300.10
3 Dec 97

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
22.	<u>Training Records.</u>	
	a. <u>Training Aids.</u>	
	(1) Manuals, syllabi, textbooks, and other training aids developed by the agency for NAF employees.	Destroy when obsolete or superseded.
	(2) Training aids from other agencies or private institutions.	Destroy when obsolete or superseded.
	b. <u>General File of Agency Sponsored Training.</u>	
	(1) Correspondence, memoranda, agreements, authorizations, reports, requirement reviews, plans, and objectives relating to the establishment and operation of training courses and conferences.	Destroy when 5 years old or upon 5 year's completion of a specific training program.
	(2) Background and work papers.	Destroy when 3 years old.
	c. <u>Employee Training.</u> Correspondence, memoranda, reports, and other records relating to the availability of training and employee participation in training programs sponsored by other government agencies or non-government institutions.	Destroy when 5 years old or when superseded or obsolete whichever is sooner.

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	d. <u>Course Announcement Files</u> . Reference file of pamphlets, notices, catalogs and other records which provide information on courses or programs offered by government or non-government organizations.	Destroy when superseded or obsolete.
23.	<u>Grievance, Disciplinary and Adverse Action Files</u> .	
	a. <u>Grievance, Appeals Files</u> . Records originating in the review of grievance and appeals raised by agency employees, except EEO complaints. These case files include statements of witnesses, reports of interviews, and hearings, examiner's findings and recommendations, a copy of the original decision, related correspondence and exhibits, and records relating to a reconsideration request.	Destroy 3 years after case is closed.
	b. <u>Adverse Action Files (5 CFR 752)</u> . Case files and related records created in reviewing an adverse action (disciplinary or non-disciplinary removal, suspension, leave without pay, reduction-in-force) against an employee. The file includes a copy of the proposed adverse action with supporting papers; statements of witnesses; employee's reply; hearing	Destroy 4 years after case is closed.

BUPERSINST 5300.10
3 Dec 97

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	notices, reports and decision; reversal of action; and appeal records, EXCLUDING letters of reprimand.	
24.	<u>Personal Injury Files.</u> Forms, reports, correspondence, and related medical and investigative records relating to on-the-job injuries, whether or not a claim for compensation was made, EXCLUDING copies filed in the OPF and copies submitted to the Department of Labor.	Destroy when 5 years old.
25.	<u>Temporary Records Relating to Promotions.</u> Records relating to the promotion of an individual that document qualification standards, evaluation methods, selection procedures, and evaluations of candidates, EXCLUDING any records that duplicate information in the promotion plan, in the OPF, or in other personnel records.	Destroy 2 years after the personnel action or after the action has been audited, whichever is sooner.
<u>GENERAL MORALE AND PERSONAL AFFAIRS RECORDS</u>		
1.	<u>General Correspondence Files.</u> Files relating to the operation and administration of morale and personal affairs matters including recreation and social affairs, informational services, commercial on-base solicitation,	Destroy when 3 years old.

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	ID card determination, and entitlement for dependent's aid, civil readjustment and veterans affairs, athletic competitions, publishing of station papers, hobby crafts, etc. (Excludes correspondence required to be filed in the OPF.)	
2.	<u>Alphabetical (Name) Files.</u> Files consisting of correspondence with individuals, dependents, and other interested parties relating to individual personal affairs matters. (Excludes correspondence required to be filed in the OPF.)	
	a. Routine Inquiries and Requests.	Destroy when 6 months old.
	b. All other Files.	Destroy when 2 years old.
3.	<u>Correspondence and Records of Personal Commercial Affairs Solicitations.</u> Files concerning violation incident data, denial data, letters of application for solicitation privileges, letters of accreditation, appeal data, and other support documents.	Retain on board. Destroy when 4 years old or purpose served, whichever is earlier.
4.	<u>Dependents' Service and Support.</u> Files include items such as Dependent Scholarship	Destroy when 1 year old.

BUPERSINST 5300.10
3 Dec 97

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	Program Applications, Transcript Request Forms, Applications for Uniformed Services Identification and Privilege Cards, and Newsletters.	
<u>RECREATION AND SOCIAL AFFAIRS RECORDS</u>		
5.	<u>General Correspondence.</u> Files pertaining to the operation and administration of recreational facilities and activities (other than Financial).	Destroy when 2 years old.
6.	<u>Policy Papers/Precedent Files.</u> Files relating to recreation activities such as instructions, directives, and other documents; establishing policies, procedures, and precedents for operation, review, etc., of morale, welfare, and recreation facilities, activities, and programs.	
	a. Records Concerning On-going Actions of the Nonappropriated Fund Instrumen- tality. Letters of authorization	Retain on board. Transfer to nearest FRC when no longer needed. Destroy when

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	to commence operations, change in mission, permanent waiver to regulations, etc.	10 years old.
	b. Other Records.	Retain on board. Destroy when rescinded or superseded.
7.	<u>Studies, Analyses, and Summaries.</u>	Destroy when 3 years old.
8.	<u>Other Reports.</u> Files not covered elsewhere (minutes of meetings, inspections, reviews, etc.)	Destroy when 2 years old.

NAF FINANCIAL RECORDS

9.	<u>Records Accumulated by MWR Facilities and Activities Financed from NAF, such as, but not Limited to, Clubs, Exchanges, Snack Bars, etc.</u>	
	a. <u>Financial Administration Records of NAF Activities.</u> All records relating to financial administration, including financial statements and reports, checkbooks, journals, vouchers, balance sheets, and other books and records of accounts.	Destroy when 3 years old.

BUPERSINST 5300.10
3 Dec 97

<u>ITEM #</u>	<u>DESCRIPTION OF RECORDS</u>	<u>AUTHORIZED DISPOSITION</u>
	b. <u>Chapters, Constitutions, By-Laws, and Similar Records.</u> Files which document the authorization and establishment of the activity.	Retain on board. Destroy 3 years after supersession or cancellation.
	c. <u>Administrative Records.</u> General correspondence files, including reports, minutes of meetings, and other papers relating to the operation of the activity.	Destroy when 2 years old.
	d. <u>Employees' Individual Earning Records.</u> Earning records or other similar summary records of individual employees' earnings.	Retain on board. Place in inactive file when individual leaves activity's employment; transfer inactive files in annual blocks to National Personnel Records Center (NRPC), Civilian Personnel Records (CPR), 111 Winnebago St., St. Louis, MO. Destroy 10 years after employment is terminated.
	e. <u>Exchange Records.</u>	Apply 9.a-d, whichever is appropriate.
	f. <u>Recreation Fund and Messes and Clubs Records.</u>	Apply 9.a-d, whichever is appropriate.
	g. <u>Periodic Listing or Other Reports of NAF Activities.</u>	Destroy when 2 years old.